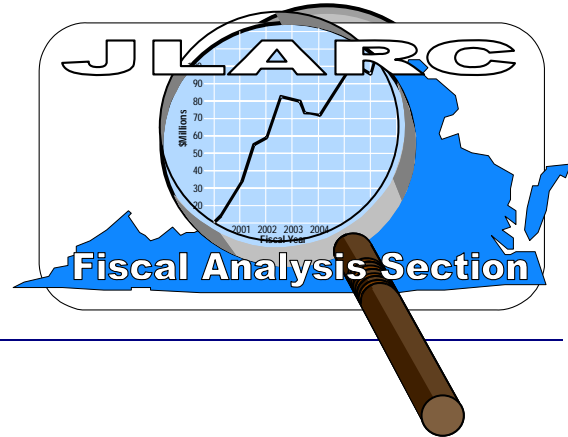

Special Report:

Review of Virginia's Cost-Savings Initiatives



In Summary

Staff of the Joint Legislative Audit and Review Commission (JLARC) recently reviewed the implementation status of more than 2,300 recommendations contained within the reports issued by Governor Wilder's *Project Streamline* (1992), Governor Allen's *Blue Ribbon Strike Force on Government Reform* (1994), and Governor Warner's *Commission on Efficiency and Effectiveness* (2002). More than 600 recommendations were initially identified as being intended to generate program-level savings or enhance State revenues. Many of the initially identified recommendations have been implemented or circumstances have changed rendering them no longer valid. However, more than 200 recommendations were identified for further evaluation. Based on reviews by JLARC, the Auditor of Public Accounts, and staff of the Department of Planning and Budget, fewer than 60 of these recommendations remain un-implemented.

Between December 2005 and April 2006, staff of the Joint Legislative Audit and Review Commission (JLARC) catalogued and reviewed more than 2,300 recommendations contained within the reports issued by Governor Wilder's *Project Streamline* (1992), Governor Allen's *Blue Ribbon Strike Force on Government Reform* (1994), and Governor Warner's *Commission on Efficiency and Effectiveness* (2002). This review was conducted within JLARC's fiscal analysis section as part of its ongoing monitoring of State spending activities.

In the initial review, JLARC staff identified more than 600 recommendations as being intended to generate program-level savings or enhance State revenues. The review did not examine approximately 1,700 recommendations that did not address cost savings, such as those that recommended increases in program staffing or funding. Slightly more than 200 recommendations were considered still valid for further consideration.

With the assistance of the Auditor of Public Accounts and staff of the Department of Planning and Budget (DPB), it was possible to determine the implementation status for all of these recommendations. More than three-quarters of these recommendations have been implemented either fully or partially, or circumstances have

changed rendering them no longer valid. Fewer than 60 of recommendations contained within Governor Allen's 1994 report and Governor Warner's 2002 report were identified as having not been implemented.

In conducting this review, JLARC staff developed a database for cataloging the recommendations contained within the governors' reports issued since 1990. These recommendations were categorized by the type of potential savings (such as procurement, outsourcing, or staffing) and the functional area of government. The implementation status of the savings recommendations were reviewed first by JLARC staff and then by the Auditor of Public Accounts.

The recommendations were then reviewed by DPB staff to more precisely determine their implementation status and potential for generating savings or enhancing State revenues. For approximately 50 recommendations there was a difference of opinion between JLARC, the Auditor, and DPB. Of these, 25 were differences between a recommendation being identified as either not being implemented or being implemented to some degree. For recommendations in which differences in opinion of implementation status were identified, the decision was made to use the status as determined by DPB.

Executive Branch Initiatives Focus Primarily on Organizational Efficiencies and Opportunities for Privatization

In the past 15 years, multiple initiatives within the executive branch have focused on identifying and implementing strategies to improve State government operations, generate cost savings, or enhance State revenues. Since 1990, there have been initiatives under Governors Wilder, Allen, and Warner to refocus operations and improve the performance of State government. Governor Wilder's 1992 *Project Streamline* principally addressed issues of organizational and operational efficiencies, and its recommendations were implemented primarily during his administration. In 1994, Governor Allen's *Blue Ribbon Strike Force on Government Reform* issued a report containing 160 recommendations focused largely on improving the effectiveness of most functional areas of State government through consolidation and outsourcing. In 2002, Governor Warner's *Commission on Efficiency and Effectiveness* issued a report containing more than 60 recommendations for improving the efficiency of managing State resources that, if implemented, were projected to reduce annual State spending by an estimated \$750 million. A primary focus of Governor Warner's commission was the consolidation and privatization of information technology functions.

Project Streamline Focused on Organizational and Operational Efficiencies. In May 1990, Governor Wilder initiated *Project Streamline*, focused on reducing the size of State government, consolidating functions and offices, streamlining work processes, and eliminating lower priority or unnecessary activities. Many of the opportunities identified through *Project Streamline* were acted on between 1991 and 1994, and many of those that were not implemented no longer appear valid. Only three recommendations from the 1992 report have not been implemented:

- eliminate per diem payments (excluding expenses) to members of boards, commissions, and councils appointed by the Governor;
- discontinue the local tax mapping program within the Department of Taxation; and
- privatize the operations of the Virginia Welcome Centers.

Blue Ribbon Strike Force Focused on Privatization and Outsourcing. Under Governor Allen, a comprehensive review was undertaken of the operations of State government. The final report of the 1994 *Blue Ribbon Strike Force on Government Reform* contained 160 recommendations focused on opportunities for privatization and outsourcing within the areas of education, transportation, and natural resources. Of the 160 savings recommendations, more than 80 percent have been implemented fully or in part (Table 1, next page).

Substantial progress appears to have been made regarding equipment utilization, program efficiency, and outsourcing recommendations within transportation programs. Based on this review, it appears that 30 of these recommendations have not been implemented. The status of each of the recommendations is contained in Appendix A.

Examples of recommendations from the 1994 *Blue Ribbon Strike Force on Government Reform* that have not been implemented are

- eliminate the use of maximum employment levels and put in place a budget control system based on a determination of needs and priorities;
- increase privatization of State-operated mental health and mental retardation facilities, rehabilitation facilities, and child support enforcement;
- competitively bid a greater portion of road maintenance work to the private sector;
- require State employees to use transit services instead of cars for day-trips in local metropolitan area; and

- abolish the Compensation Board as an entity and directly appropriate funds to local constitutional officers.

Commission on Efficiency and Effectiveness Focused on Government Efficiencies. In December 2002, Governor Warner established the *Commission on Efficiency and Effectiveness* (also known as the “Wilder Commission”). This commission issued a final report containing more than 60 recommendations to improve the efficient and effective use of State resources. A preliminary review of the status of these recommendations indicates that 38 appear to have been fully or partially implemented or are now underway.

While substantial progress has been made in the areas of information technology operations and procurement practices, many of these recommendations focus on cost avoidance resulting from changing business processes. Several of these recommendations have already resulted in direct savings and enhanced revenue of more than \$9 million. Additionally, more than \$98 million in enhanced tax collections were reported as a result of the tax amnesty recommendations initially made by JLARC and endorsed within the commission’s final report.

Despite action to implement many recommendations, several areas remain unaddressed. The status of each of the individual recommendations is contained in Appendix B. There are 23 recommendations that have not been implemented, including

- consolidating and eliminating several executive agencies;
- unifying payroll systems across the State colleges and universities;
- reducing State funding of constitutional officers; and
- studying the privatization of the retail functions of the Department of Alcoholic Beverage Control.

Table 1: Implementation Status of Executive Branch Savings Recommendations Since 1994

	Total	Fully Implemented	Partially Implemented	Underway	Not Implemented	No Longer Valid
1994 (Allen)	160	69	55	0	30	6
2002 (Warner)	<u>62</u>	<u>22</u>	<u>10</u>	<u>6</u>	<u>24</u>	<u>0</u>
Total	222	91	65	6	54	6

Source: JLARC, Auditor of Public Accounts, and Department of Planning and Budget staff analysis of the 1994 *Blue Ribbon Strike Force on Government Reform* and the 2002 *Commission on Efficiency and Effectiveness*.

Note: Table does not include 1992 *Project Streamline* recommendations that have largely been implemented.

Implementation Status of the 1994 *Blue Ribbon Strike Force on Government Reform* Recommendations

Prepared by JLARC Staff, 5/4/2006

Secretariat	Recommendation Text	Recommendation Type	Implementation Status
All Agencies/Statewide	Establish a goal for workforce reduction based on need and effective program administration. An overall reduction of 15 percent is considered achievable over the next three years. Involuntary separation should only be used after all other options have been exhausted.	Staffing	Fully Implemented
All Agencies/Statewide	Consolidate regulatory process responsibility into one agency or individual in each secretariat.	Consolidation	Fully Implemented
All Agencies/Statewide	The state should evaluate the feasibility of creating or contracting to the private sector an administrative services unit that would review and implement cost saving procedures in areas such as postage, express mail, utilities, photocopying, travel, and other administrative functions.	Outsourcing	Fully Implemented
All Agencies/Statewide	Reorganize agency structures to eliminate excessive and unnecessary layers of management that do not contribute significant value to services delivered to the citizens of Virginia.	Staffing	Fully Implemented
All Agencies/Statewide	Increase use of part-time wage and classified positions. Use outsourcing for short and medium term projects and create a force of staff that can be readily moved within and among agencies.	Outsourcing	Fully Implemented
All Agencies/Statewide	All managers and supervisors should be responsible for the control of telephone use and provide cost-saving tools to each state employee.	Efficiency	Fully Implemented
All Agencies/Statewide	The state should implement the use of authorization codes for long distance usage to ensure these are legitimate business calls.	Policy Change	Fully Implemented
All Agencies/Statewide	An inter-secretariat advisory council on land management should be established to ensure that all state-owned properties are used for their best and most complete use. Members should represent every secretariat and should work together as a team to develop state owned properties to their fullest, reduce management costs, share knowledge and make recommendations for selling or transferring to the private sector any lands no longer needed.	Real Estate	Fully Implemented
All Agencies/Statewide	Allow only one level of government to issue and enforce regulations.	Efficiency	Partially Implemented
All Agencies/Statewide	Reduce the cost of the risk management program.	Efficiency	Not Implemented
All Agencies/Statewide	Eliminate the use of maximum employment levels and put in place a budget/planning control system based on a determination of needs and priorities.	Consolidation	Not Implemented
Administration	Division of Purchase and Supply should be the only central procurement policy and advisory agency for the Commonwealth.	Procurement	Fully Implemented
Administration	The Commonwealth of Virginia must identify facility related energy efficiency measures to aggressively pursue savings and take full advantage of all energy efficiency initiatives offered by Virginia's energy providers.	Efficiency	Fully Implemented
Administration	The Commonwealth should purchase energy saving computer equipment as needed to replace existing computers.	Procurement	Fully Implemented
Administration	All state agencies should inventory and justify the retention of each individual real estate holding.	Real Estate	Fully Implemented
Administration	Establish a Real Asset Commission to identify and recommend a plan to dispose of real property and other assets that are not best serving the needs of the Commonwealth.	Real Estate	Fully Implemented
Administration	The Commonwealth should review existing utility company rate structures to assure that the most cost effective rates are available to the Commonwealth. Additionally, the current rate contract should be reviewed and renegotiated as appropriate.	Procurement	Fully Implemented
Administration	Prepare an architectural/engineering program to define the project scope and budget and eliminate costly preplanning studies.	Consolidation	Fully Implemented
Administration	Establish an internal service fund as a cost recovery method to allow the Bureau of Capital Outlay Management to compete with other sources of code compliance reviews and construction inspections.	Funding	Fully Implemented
Administration	Department of General Service should examine the effectiveness and efficiency of all procurement regulations. This study should include surplus property disposal, state agency use of Federal General Service Administration contracts, lease procurement procedures and real property management, and proposed remedies against spurious and unfounded legal actions by bidders and offerors.	Procurement	Fully Implemented

Prepared by JLARC Staff, 5/4/2006

Secretariat	Recommendation Text	Recommendation Type	Implementation Status
Administration	Centralize payroll services for small agencies by combining staff and equipment from several agencies or contracting for the service with a private vendor.	Consolidation	Fully Implemented
Administration	Develop a simplified procedure for the leasing of real estate by state agencies.	Real Estate	Partially Implemented
Administration	Establish a privatization program for debt collection to increase collection rates, decrease collection time and reduce collection costs.	Outsourcing	Partially Implemented
Administration	Privatize the electronic creation, reproduction, distribution and maintenance of key manuals, references and forms.	Outsourcing	Partially Implemented
Administration	Department of General Services should review its procedures with the Department of Planning and Budget to insure the budget process is capable of capturing and comparing actual procurement with approved appropriations.	Improved Oversight	Not Implemented
Administration	The Workforce Services Division (Training) of the Department of Economic Development should be integrated in to the Virginia Community College System.	Consolidation	Not Implemented
Administration	The Compensation Board, as an administrative entity, should be abolished, and funds should be directly appropriated to local constitutional officers for their use. To the extent that the Compensation Board may have evolved, beyond dispersal of funds, into delivering services considered vital by local constitutional officers, these services should be transferred to existing agencies and the quality of these services increased.	Consolidation	Not Implemented
Commerce & Trade	The Department of General Services should consider adopting the recommendation of the Governor's Commission on Government Reform on change order approval limits. Alternatively, DGS should revise the change order approval threshold to require approval by the Governor's designee of change orders that exceed the construction contingency established in the project's form CO-8.	Procurement	Fully Implemented
Commerce & Trade	Virginia Film Office should be separated from the Division of Industrial Development housed on the Division of Tourism in the Department of Economic Development. Furthermore, the Virginia Film Advisory Board should be disbanded and additional designated film industry related positions be allocated to the Governor's Travel and Tourism Services Advisory Board.	Consolidation	Fully Implemented
Commerce & Trade	Reorganize and consolidate workforce training councils and agencies to improve coordination and service delivery and eliminate inefficiencies.	Consolidation	Partially Implemented
Commerce & Trade	The Commonwealth should evaluate all 18 boards operating under the Department of Professional and Occupational Regulation to determine if the continued regulation of these professions and occupations would meet the health, safety, and welfare test of citizens if the Commonwealth and to identify those professions and occupations that would better serve the citizens if they were to become self-regulating. Additionally, the Commonwealth should combine the Virginia Board for Barbers and the Virginia Board for Cosmetologists.	Consolidation	Partially Implemented
Commerce & Trade	Consolidate within the Human Resource Investment Council the necessary and mandated functions of the: State Board for Vocational Education, Council on Vocational Education, Virginia Apprenticeship Council, Governor's Job Training Coordinating Council, Virginia Occupational Information Coordinating Committee, and Virginia Advisory Council for Adult Education and Literacy.	Consolidation	Not Implemented
Commerce & Trade	Move the apprenticeship program from the Department of Labor and Industry to the Virginia Employment Commission.	Consolidation	Not Implemented
Commerce & Trade	Consolidate the public relations and the capital outlay functions within the Secretary of Commerce and Trade, except the Virginia Port Authority.	Consolidation	Not Implemented
Commerce & Trade	The economic development funding programs and activities of the Department of Housing and Community Development should be consolidated in the Department of Economic Development, and formal coordination agreements implemented for the Community Development Block Grant programs between the Department of Economic Development and the Department of housing and Community Development to include in-depth coordination with the Governor's Commission on Citizen Empowerment.	Consolidation	Not Implemented

Prepared by JLARC Staff, 5/4/2006

Secretariat	Recommendation Text	Recommendation Type	Implementation Status
Commerce & Trade	Move the Title III portion of the Job Training Partnership Act to the Virginia Employment Commission, Title III serves dislocated workers and should be housed with the Dislocated Worker Unit of the VEC which is responsible for rapid response assistance to mass layoffs.	Consolidation	No Longer Valid
Commerce & Trade	Move the Title II portion of the Job Training Partnership Act programs to the Department of Social Services. These programs are designed to serve economically disadvantaged persons our other special populations that are not job ready. These programs should work in coordination with the Job Opportunities and Basic Skills program that has the simultaneous mission of preparing disadvantaged, non-job-ready people for Job Opportunities and Basic Skills entry work. The state should consider sub state counterparts to the Human Resources information Council, which should be accomplished by reevaluating the role of the Private Industry Councils.	Consolidation	No Longer Valid
Education	The legislature should adopt a principle under which it will refuse to authorize any further building of classroom and laboratory space until the institution involved can demonstrate that its existing space is utilized at least 40 hours per week.	Real Estate	Fully Implemented
Education	Without prejudging, but with very close monitoring, the Commonwealth should encourage experiments in privatization of individual public schools.	Outsourcing	Fully Implemented
Education	Fees also should be included under any legislated cap. The impact of this recommendation on fees supporting the construction and other new capital cost must be recognized.	Fines and Fees	Fully Implemented
Education	The legislature should change its method of appropriation for Tuition Assistance Grants. Instead of appropriating a lump sum to be divided among the potential applicants, the dollar amount of each grant should be legislated with an accompanying cap of the total dollars to be awarded.	Funding	Fully Implemented
Education	The State Council of Higher Education for Virginia or a higher educational institution should establish and maintain a unified information database of courses offered by each institution that are available via telecommunications. This resource should be considered to reduce existing traditionally offered programs or avoid duplication of new ones.	Efficiency	Fully Implemented
Education	Cooperative sharing of programs should be encouraged when it would allow decentralization.	Consolidation	Fully Implemented
Education	The Secretary of Finance should extend approval for decentralization to all institutions provided the programs and institutions fall within the guidelines and the state's cash flow stability is protected.	Financial Management	Fully Implemented
Education	A thorough review of the Commonwealth's personnel system needs to be undertaken with particular attention to the classification system, looking to redefine, broaden, and reduce the number of the classifications, thereby hoping to abort the deception which proceeds from the present plan. Further, even though decentralized, institutions of higher education must clearly be accountable to overall Commonwealth Human Resources Management policies, rules, and regulations. Therefore, it is emphasized that the Department of Personnel and Training retains responsibility and will ensure compliance by institutions of higher education.	Staffing	Fully Implemented
Education	Each educational institution should continue to judge its ability to provide support services against private contract providers, choosing the private route whenever balanced consideration of cost and quality service warrants it.	Outsourcing	Fully Implemented
Education	Each institution must establish and conduct a regular review of curricula in support of degree programs to eliminate duplication and ensure an appropriate level of participation.	Efficiency	Partially Implemented
Education	The State Board of Education should develop incentives and penalties to stimulate local school boards to advance the consolidation of small schools.	Consolidation	Partially Implemented
Education	Combine the two schools for the deaf and blind, moving toward rebuilding a more appropriate, centrally-located facility for long range dollar savings and better service.	Consolidation	Partially Implemented
Education	Because the major portion of all state funding to Virginia's educational institutions lies in the cost of personnel, boards of visitors and school boards should expect to be held accountable for the use of salaried time by their employees and regularly maintain data to allow timely response to appropriate requests for information. Such data should be examined annually to identify, explain, and where indicated, modify the behavior of those inappropriately employing salaried time.	Staffing	Partially Implemented

Implementation Status of the 1994 *Blue Ribbon Strike Force on Government Reform* Recommendations

Prepared by JLARC Staff, 5/4/2006

Secretariat	Recommendation Text	Recommendation Type	Implementation Status
Education	The Library of Virginia should move steadily towards the integration of its services and personnel to accomplish maximum service by the most efficient and economical means.	Consolidation	Partially Implemented
Education	The Secretary of Education should be designated as the lead secretary for developing the criteria for state funding of museums. Consideration should be given to the possibility of realigning the administration of the Virginia Museum of Natural History under the authority of the Secretary of Education.	Funding	Not Implemented
Education	The Department of Education should consider eliminating its small, central office library function and utilizing the extensive expertise and technology of the Library of Virginia.	Consolidation	No Longer Valid
Education	The Commonwealth of Virginia should pursue, in court if necessary, funding by the federal government of the mandate to educate illegal aliens.	Funding	No Longer Valid
Finance	The \$3,000 ceiling on referral of past due accounts receivable to commercial collection agency should be removed.	Collections	Fully Implemented
Health & Human Resources	The General Assembly may wish to consider consolidating regulatory authority for child day care in a single regulatory entity.	Regulatory Change	Fully Implemented
Health & Human Resources	Identify all costs for delivery of services and recover the cost of services wherever possible.	Fines and Fees	Fully Implemented
Health & Human Resources	Reduce the total employment level in the Secretariat of Health and Human Resources.	Consolidation	Fully Implemented
Health & Human Resources	Increase efforts to discover, prosecute, and prevent fraud.	Efficiency	Partially Implemented
Health & Human Resources	Fully utilize managed care programs to aid in the provision of appropriate Medicaid services, mental health services, and other services within available resources.	Efficiency	Partially Implemented
Health & Human Resources	Require agencies to reduce spending for supplies, printing, publications, travel, conferences, training, telephone calls, advertising, mail and postage, and copying.	Cost Avoidance	Partially Implemented
Health & Human Resources	Aggressively seek waivers from the federal government for optional approaches for providing services or fulfilling reporting requirements.	Cost Avoidance	Partially Implemented
Health & Human Resources	Design and use a single application for all individuals who require state services. Consolidate other forms wherever feasible, with special emphasis on the future ability to capture this information electronically.	Consolidation	Partially Implemented
Health & Human Resources	Reorganize agency structures to provide for flatter organizations, and utilize similar organizational structures in Health and Human Resources agencies.	Consolidation	Partially Implemented
Health & Human Resources	Establish an Office of Inspector General to provide for ongoing review of the activities and services of agencies to evaluate their effectiveness and achievement of measurable goals.	Improved Oversight	Partially Implemented
Health & Human Resources	During the comprehensive planning for delivery of services, require that agencies co-locate state, regional, and local offices to the extent feasible.	Consolidation	Partially Implemented
Health & Human Resources	Develop contracts with the private sector whenever feasible to provide essential activities and services, specifying the period of time and the level and quality of the product or service. The following activities and services should be considered for contracting: professional staff training; housekeeping and maintenance services; pharmacy services; well-baby clinics; immunizations; adoptions; home health services; rehabilitation engineering; claims processing; bulk mailing and printing; personnel for short-term projects; and services currently provided by the Industries for the Blind.	Outsourcing	Partially Implemented
Health & Human Resources	The Department of Social Services should promptly act on its plan to assist local agencies with automating their day care assistance programs. Automation is essential given the amount of funding that will be expended beginning in FY 1998 and the associated potential for fraud and abuse in the program.	Efficiency	Not Implemented

Prepared by JLARC Staff, 5/4/2006

Secretariat	Recommendation Text	Recommendation Type	Implementation Status
Health & Human Resources	Reduce the number of agencies in the Secretariat from 14 to no more than six by doing the following: endorse the consolidation of long-term care and aging services; combine into one agency the Department for the Visually Handicapped and the Department for the Deaf and Hard-of-Hearing; place the functions of the Virginia Health Services Cost Review Council in the Department of Health -- continue the Virginia Health Information, with Virginia Health Information continuing to carry out its functions as a quasi-governmental agency linked to the Department of Health -- the public/private partnership that supports Virginia Health Information activities would be protected; place the functions of the Virginia Council on Child Day Care and Early Childhood Programs in the Department of Social Services' place the functions of the Department of Health Professions in the Department of Health; and identify programs affection constituent services that would be more effective if they operated as an office out of the Office of the Secretary of Health and Human Resources, such as the Board for People with Disabilities.	Consolidation	Not Implemented
Health & Human Resources	While continuing to maintain the current level of services, privatize all or in part the following facilities and services operated by the Commonwealth: state-operated mental health and mental retardation facilities; Woodrow Wilson Rehabilitation Center; Rehabilitation Center for the Blind; child support enforcement offices; and services currently provided by the Department of the Rights of Virginians with Disabilities.	Outsourcing	Not Implemented
Health & Human Resources	Require the Secretary of Health and Human Resources to function as the chief executive officer of health and human services, and provide appropriate staff resources to consolidate policy and administrative functions of Health and Human Recourses agencies. The consolidated function should include planning, policy development, budget, regulatory and legislative liaison. The Secretary should also be responsible for oversight of appeals, internal audit, information management, and systems development.	Consolidation	Not Implemented
Health & Human Resources	Require a review of all boards, councils, and commissions in the Secretariat to be completed in one year. Recommend boards, councils, and commissions which can be consolidated or eliminated. The review should take into account the previous recommendations and explicitly include recommendations to reduce costs. This could include reducing the number of meetings for the boards that would continue to meet, or appointing special task forces or ad hoc committees to deal with significant issues and challenges rather than using standing commissions.	Study and Report	No Longer Valid
Natural Resources	Boat titling and registration functions of the Department of Game and Inland Fisheries should not be consolidated with automobile titling and registration functions of the Department of Motor Vehicles into one agency at this time. However, when major system changes are considered in the future, all boat titling and registration functions should be considered for consolidation.	Consolidation	Fully Implemented
Natural Resources	The processing time for various permits should be analyzed to establish a reference or average processing time. A standard should then be established of 75 percent of the reference or average time. This standard should be used as a performance measurement for all future applications.	Improved Oversight	Fully Implemented
Natural Resources	The Department of Game and Inland Fisheries should continue to be principally a user-funded agency, with each constituent group required to pay its fair share of the cost of services. Its statutory duties and responsibilities should be limited to those consistent with its current mission statement. Where circumstances, dictated by law, require it to take action beyond its traditional duties and responsibilities, separate funding for such activities should be provided by the General Assembly.	Funding	Fully Implemented
Natural Resources	The Department of Environmental Quality should establish an Expedited Solid Waste Permit Program to reduce the costs to the taxpayers, who pay both the costs of landfill service and the government regulatory and permit actions.	Efficiency	Fully Implemented
Natural Resources	In establishing new customer-sensitive permit procedures, the Department of Environmental Quality should consider all possible methods for consolidating permit processes, including "one-stop-permit shops" to limit inter-agency confusion; reduce administrative staff; create uniform standards from agency to agency; improve coordination; and to produce faster turnaround time.	Consolidation	Fully Implemented
Natural Resources	The Department of Environmental Quality's existing permit fee structure should be reexamined to determine whether or not fees currently being charged are equivalent to the services being provided, or whether they are excessive. As part of the analysis, the Department of Environmental Quality should consider compliance incentives which would reduces fees for entities in compliance with permit conditions, and the appropriateness of ceilings or caps on the amount of fees collected.	Study and Report	Fully Implemented

Implementation Status of the 1994 *Blue Ribbon Strike Force on Government Reform* Recommendations

Prepared by JLARC Staff, 5/4/2006

Secretariat	Recommendation Text	Recommendation Type	Implementation Status
Natural Resources	The state should not consolidate the saltwater and freshwater fisheries management responsibilities of the Virginia Marine Resources Commission and the Department of Game and Inland Fisheries.	Consolidation	Fully Implemented
Natural Resources	The Department of Historic Resources should release or loan artifacts to appropriate Virginia museums for proper duration, protection, and exhibition. Solicitation of their help in cataloging, securing, and moving the artifacts to appropriate settings is also suggested. Private and other government funds should be solicited to implement all recommendations related to the Department of Historic Resources. It is believed that federal and private funds are available to help with this project as well as that of museums and libraries. Volunteers should also be solicited.	Funding	Fully Implemented
Natural Resources	Sell the vessel Chesapeake.	Surplus Property	Fully Implemented
Natural Resources	Eliminate state general funding for the Virginia Saltwater Fishing Tournament.	Consolidation	Fully Implemented
Natural Resources	The Secretary of Natural Resources should require the agencies within the Secretariat to conduct an inventory and review of all interagency cooperative agreements to determine: which are still in effect, which are consistent with the functional responsibilities of the participating agencies, which serve a current state purpose, which result in duplication of services by agencies, and which are not cost effective.	Consolidation	Partially Implemented
Natural Resources	When the office space of the Marine Resources Commission is up for renewal, consideration should be given to co-locating the Commission with the Virginia Institute of Marine Sciences.	Consolidation	Partially Implemented
Natural Resources	Just as the Department of Game and Inland Fisheries is funded almost exclusively by user fees and permits, the Marine Resources Commission should be funded by special and dedicated funds, not general funds, to the maximum extent possible. It is recommended that a study be conducted by the DPB to determine whether the Commission could be funded from nongeneral fund sources without hindering the ability of the Commission to fulfill its mission.	Funding	Partially Implemented
Natural Resources	Virginia should immediately jettison the costly and inefficient Superfund process for all environmental restorations that do not have the mandatory federal designation. We recommend the establishment of Virginia's Total Accelerated Cleanup Program. This program would: reframe the cleanup divisions; no involve a budget increase and may result in longer-term budget reductions; protect the environmental much earlier; reduce private sector cleanup costs by eliminating unnecessary and costly steps; allow the Department of Environmental Quality to empower, not discourage, effective private sector initiatives; end analysis paralysis in site cleanups; move to integrated cleanup much earlier; apply a standard of "real risk" based in sound science to decide whether cleanup is necessary or what level of cleanup must be done; apply the proven private sector principle of integrated cleanup, which focuses on cleanup results, not dollars or efforts spent; and allow the site owner to hold cleanup contractors accountable for specific results.	Effectiveness	Partially Implemented
Natural Resources	The Secretary of Natural Resources should conduct a review of the environmental impact assessment activities of all state agencies to insure the assignment of a required activity to the proper agency, eliminate unnecessary or duplicative activities, and ensure the fair allocation of financial resources for required activities.	Study and Report	Not Implemented
Natural Resources	Privatize underwater survey operations for private oyster grounds.	Outsourcing	Not Implemented
Public Safety	Abolish the Board of Military Affairs.	Consolidation	Fully Implemented
Public Safety	Study the feasibility of combining the Department of Corrections' Community Diversion Incentive Program with Probation and Parole.	Consolidation	Fully Implemented
Public Safety	Direct the Department of Correctional Education to continue to identify opportunities to reduce administrative costs at the central office and to develop partnerships with the Department of Education and the Virginia Community College System to educate inmates in a cost-efficient and effective manner.	Consolidation	Fully Implemented
Public Safety	The state should require inmates in work release to pay room and board and fines and costs.	Efficiency	Fully Implemented
Public Safety	Increase the number of traffic offenses that can be prepaid and decrease the number that require court appearances.	Efficiency	Fully Implemented

Implementation Status of the 1994 *Blue Ribbon Strike Force on Government Reform* Recommendations

Prepared by JLARC Staff, 5/4/2006

Secretariat	Recommendation Text	Recommendation Type	Implementation Status
Public Safety	Establish regular meetings between the Division of Purchase and Supply and Virginia Correctional Enterprises.	Procurement	Fully Implemented
Public Safety	Management and sales representatives from VCE should meet with customers to sensitize VCE management to customer needs.	Procurement	Fully Implemented
Public Safety	Institute private sector initiatives and incentives with internal customers; implement an aggressive advertising and marketing program, exempt Virginia Correctional Enterprises' sales representatives from the Virginia Personnel Act and reward them with bonuses for sales performance, provide quality discounts to customers, establish specific delivery schedules, allow liquidated damages if not delivered on time, expand product lines to optimize production and become more competitive.	Procurement	Partially Implemented
Public Safety	Develop a strategic plan to establish and fund a consolidated research, data, and information system for criminal justice activities.	Consolidation	Partially Implemented
Public Safety	The state should increase sheriff's fees for serving civil process to create additional revenue for prison construction and to cover administrative costs.	Fines and Fees	Not Implemented
Public Safety	Organize the Department of Criminal Justice Services to function as the policymaking arm of the Secretary of Public Safety.	Consolidation	Not Implemented
Public Safety	Abolish grand juries except in cases of direct indictment by the Commonwealth Attorney, or consider elimination of district court preliminary hearing.	Efficiency	Not Implemented
Public Safety	To optimize deployment of law enforcement powers, explore bringing all law enforcement personnel from Alcoholic Beverage Control, Department of Motor Vehicles and the State Corporation Commission in to the Department of State Police.	Consolidation	Not Implemented
Public Safety	Abolish the Fire Services Board and the State Hazardous Materials Emergency Response Council and establish a Fire and Emergency Services Board in a manner that preserves the unique identities of each of the public organizations.	Consolidation	Not Implemented
Public Safety	For purchases requiring competitive bids the VCE should be required to bid for products and services when the total dollar cost is in excess of \$15,000 and achieve a phased reduction to \$0 by 1999.	Procurement	Not Implemented
Public Safety	Merge the Bureau of Forensic Sciences and the Commonwealth Attorneys' Services Council under the Department of Criminal Justice Services.	Consolidation	No Longer Valid
Technology	VITA should work with DPB to become involved with technology expenditures early in the budget process to ensure that system design and cost estimates are accurate, and that projects are given the appropriate priorities for funding within the statewide technology management plan.	Improved Oversight	Fully Implemented
Technology	All agencies should seek opportunities for resource sharing of technology assets whenever possible to reduce expensive core systems which may not be required by each agency.	Consolidation	Fully Implemented
Technology	VITA should work with DHRM to identify excess technology professional positions existing within state government.	Consolidation	Fully Implemented
Technology	VITA should request all state agencies to provide data processing, telecommunication, and radio communication asset ownership and utilization data.	Improved Oversight	Fully Implemented
Technology	The state data center and related functions, system design and development, engineering services and all other related data processing services should be consolidated and possible turned into a private corporation or privatized.	Consolidation	Fully Implemented
Technology	All agencies should be encouraged to initiate pilot projects that utilize technology to increase efficiency of service delivery.	Efficiency	Fully Implemented
Technology	The Department of Economic Development should be provided access to the Virginia Geographic Information System.	Consolidation	Fully Implemented

Prepared by JLARC Staff, 5/4/2006

Secretariat	Recommendation Text	Recommendation Type	Implementation Status
Technology	VITA should establish standards, polices and develop a plan for electronic mail communication between all state agencies.	Consolidation	Partially Implemented
Technology	VITA should review office productivity tools that reduce preparation time and increase accuracy of clerical functions, for use by state agencies as a means to reduce costs.	Efficiency	Partially Implemented
Technology	Eliminate funding for the Center for Innovative Technology.	Consolidation	Partially Implemented
Transportation	Reengineer the existing vehicle insurance program which at a minimum would entail raising the uninsured motorist fee to a fair market value. This reengineering should also automate the insurance monitoring function.	Fines and Fees	Fully Implemented
Transportation	Set up a scheduled preventive maintenance program for all VDOT vehicles.	Equipment Utilization	Fully Implemented
Transportation	Set up a planned component replacement program for all VDOT vehicles.	Equipment Utilization	Fully Implemented
Transportation	Implement drop shipment on local purchase options for the district offices, and discontinue shipping goods through the central warehouse when it is not cost beneficial to do so.	Procurement	Fully Implemented
Transportation	Discontinue carrying items with a less-than-optimal turnover ratio.	Procurement	Fully Implemented
Transportation	Reduce the 30-day public hearing notice to "reasonable time frame" to match federal guidelines.	Efficiency	Fully Implemented
Transportation	Investigate hazardous materials sites sooner in the roadway development process.	Efficiency	Fully Implemented
Transportation	Determine and periodically reevaluate the optimal trip pool size based on customer demand and cost of meeting all legitimate automobile travel needs. A formula should be developed which could use statistically significant historical data to predict future demand.	Equipment Utilization	Fully Implemented
Transportation	Reconfigure the existing rate structure for vehicular use charges, using the following parameter: use a life-cycle cost to determine the cost for each appropriate class of vehicle, take the time value of money for vehicles that are permanently or temporarily assigned to agencies but that are used very little (the existing flat rate should be adjusted upward to reflect a reasonable depreciation period and interest cost of the money expended for the vehicle); and trip pool vehicle usage fees should be based on a fair market value arrangement, where the length of time the car is used, and the distance traveled, are determinants in the fee charged to users.	Equipment Utilization	Fully Implemented
Transportation	Require all transit authorities as a condition of receiving DRPT grant assistance to consider using competitive bidding for no less than 20 percent of all service operated by the authority. Each transit authority should base its analysis for considering competitive bidding on the fully-allocated cost methodology as recommended by the Competitive Services Board of the Federal Transit Authority.	Procurement	Fully Implemented
Transportation	Automobile dealer business arrangements should no longer be regulated by DMV.	Regulatory Change	Fully Implemented
Transportation	Require agencies to use mileage charts to determine the most central location for necessary meetings requiring attendance by employees from across the state.	Efficiency	Partially Implemented
Transportation	Identify repair facilities that are present and future candidates for consolidation or elimination. Eliminate and consolidate as needed.	Consolidation	Partially Implemented
Transportation	Develop a statewide guideline to be used for all repairs, which would contain the parameter under which repairs are either performed by a private enterprise firm or performed by VDOT internally. This guideline should be based on cost/benefit analysis.	Outsourcing	Partially Implemented
Transportation	Select a pilot county, and put all road maintenance services currently performed by VDOT out for bid to the private sector, VDOT and the locality, to enhance the competitiveness of VDOT's maintenance services.	Outsourcing	Partially Implemented

Prepared by JLARC Staff, 5/4/2006

Secretariat	Recommendation Text	Recommendation Type	Implementation Status
Transportation	On a pilot basis, competitively contract for preventative maintenance on the VDOT equipment fleet.	Outsourcing	Partially Implemented
Transportation	Automate the pavement management program by choosing the most cost-effective of these options: having three regional pavement management teams, each equipped with a van for automated pavement data collection, or contract with a private firm to conduct pavement analysis.	Outsourcing	Partially Implemented
Transportation	Reevaluate the replacement period for vehicles, using a life-cycle cost formula to determine which vehicles have the lowest life-cycle cost. This cost would be based largely, but not solely, upon the estimated salvage value of various models. Vehicles with the lowest life-cycle cost should be purchased	Equipment Utilization	Partially Implemented
Transportation	The Port Authority should complete a cost comparison between its security force and security provided by the private sector.	Outsourcing	Partially Implemented
Transportation	Study the entire VDOT organizational structure and determine how this structure relates to the transportation strategic plan in order to streamline the structure, flatten the management layers, and introduce competition.	Consolidation	Partially Implemented
Transportation	Eliminate or combine area headquarters facilities that are no longer needed.	Consolidation	Partially Implemented
Transportation	Establish a tire management program which would serve as an evaluative tool for tire purchasing.	Equipment Utilization	Partially Implemented
Transportation	Lower the cost of complying with state environmental regulations by eliminating the requirement for VDOT to obtain a separate permit from DEQ.	Regulatory Change	Partially Implemented
Transportation	Permit the central office location and design staff to set staffing requirements around Virginia, so that workflow can be more efficiently controlled.	Efficiency	Partially Implemented
Transportation	Accelerate the procurement process by permitting sole source procurements without a lengthy approval process.	Efficiency	Partially Implemented
Transportation	Eliminate duplicate project environmental review functions currently performed by multiple agencies by designating an agency as the reviewer.	Efficiency	Partially Implemented
Transportation	Use lump-sum contracts where the scope of work can be narrowly defined.	Procurement	Partially Implemented
Transportation	Conduct construction field review earlier in the roadway design process which will facilitate more effective plan revision due to earlier review in the planning process.	Efficiency	Partially Implemented
Transportation	Conduct public hearings earlier in the plan development process, eliminating costly multiple drafting of plans and enhancing public input.	Efficiency	Partially Implemented
Transportation	Lower the management approval level for field inspection approval for secondary road projects.	Efficiency	Partially Implemented
Transportation	Require VDOT to competitively contract out a greater proportion of its design work, including but not limited to, surveying, mapping, and aerial photography work. VDOT's cost comparison should be based on fully-allocated costs.	Outsourcing	Partially Implemented
Transportation	Consider, from a cost/benefit perspective, whether pavement management and condition assessment should be privatized.	Outsourcing	Partially Implemented
Transportation	VDOT should test use of urethane blades.	Equipment Utilization	Partially Implemented
Transportation	Obtain more accurate data concerning the damage caused exclusively by carbide-tipped blades. Various sections of roadways should have a "before and after" snowstorm marking assessment.	Study and Report	Partially Implemented
Transportation	Reduce state employee travel by increasing monitoring of state-owned vehicles and personal vehicles used for state business to minimize the number of cars required to transport groups of employees to identical locations and reduce discretionary trips.	Efficiency	Partially Implemented

Implementation Status of the 1994 *Blue Ribbon Strike Force on Government Reform* Recommendations

Prepared by JLARC Staff, 5/4/2006

Secretariat	Recommendation Text	Recommendation Type	Implementation Status
Transportation	Require state personnel to use audio-conferences and teleconferences instead of face-to-face meetings whenever possible.	Policy Change	Partially Implemented
Transportation	Establish a paperless title program under which a title would not be printed at the time of purchase when a lien is filed against a vehicle by a lending institution. Rather the lien would be recorded at the DMV and would be lifted and a title printed when the lien is satisfied.	Efficiency	Partially Implemented
Transportation	Let the VDOT print shop become the central printing center for large jobs for capital area state agencies – centralize printing.	Consolidation	Not Implemented
Transportation	Competitively bid a greater portion of road maintenance work to the private sector. VDOT should be permitted to participate in the bidding.	Outsourcing	Not Implemented
Transportation	Give counties the authority to hire their own design engineers for roadway projects.	Efficiency	Not Implemented
Transportation	Allow access to all roads by single tractor-trailer combinations, but limit double-trailer combinations to the existing Surface Transportation Authorization Act system.	Policy Change	Not Implemented
Transportation	Require state employees to use transit services instead of day cars for trips in local metropolitan areas.	Policy Change	Not Implemented
Transportation	The Department of Aviation should study whether there is a statistically significant correlation between aircraft personal property tax rates and aircraft basing decisions. If this correlation exists, localities should be made aware of it. The study should also identify existing disparities between localities receiving personal property tax revenues from an airport and localities supporting that airport.	Collections	Not Implemented
Transportation	There should be mandatory mail-in registration card renewal with a \$5 surcharge for going to a DMV branch to renew. Registration cards would continue to be renewed on a staggered monthly schedule. The mail-in discount would be eliminated, mandatory mail-in may be required once every two years instead of annually, as currently permitted.	Fines and Fees	Not Implemented
Transportation	The Port Authority should complete an office space assessment of its leased space in there World trade Center and planned construction of a \$12 million office building at the Norfolk International Terminals in 1998.	Procurement	Not Implemented

Implementation Status of the 2002 *Commission on Efficiency and Effectiveness* Recommendations

Prepared by JLARC Staff, 5/4/2006

Secretariat	Recommendation Text	Recommendation Type	Implementation Status
All Agencies / Statewide	Premise the procurement of prescription drugs on a preferred drug plan with a three tier system.	Procurement	Fully Implemented
All Agencies / Statewide	Authorize legislation to enable the use of reverse auctioning as a permanent procurement tool.	Procurement	Fully Implemented
All Agencies / Statewide	Negotiate statewide contracts for information technology purchases that leverage purchase volume into substantial discounts.	Procurement	Fully Implemented
All Agencies / Statewide	Use web-based technology to organize customer service activities such as licensing and permitting more efficiently and effectively in a one-stop shop.	Consolidation	Partly Implemented
All Agencies / Statewide	Develop enterprise wide approaches to purchasing and gathering information about agency spending patterns, promoting collaboration between departments and agencies.	Procurement	Partly Implemented
All Agencies / Statewide	Reengineer the capital outlay process to eliminate the gap between contract cost and actual final cost on transportation and construction projects.	Procurement	Partly Implemented
All Agencies / Statewide	Develop an effective Minority Supplier Program that provides better information about minority supplier availability, centralizes information about opportunities for minority suppliers and holds agencies accountable for better performance.	Procurement	Partly Implemented
All Agencies / Statewide	Consolidate administrative information systems projects across agencies.	Consolidation	Underway
All Agencies / Statewide	Combine data centers to increase effectiveness and cost savings.	Consolidation	Underway
All Agencies / Statewide	Use technology to consolidate business processes such as payroll processing and accounts receivable.	Consolidation	Underway
All Agencies / Statewide	The Governor should develop a plan for reforming the administration and funding of local constitutional officers. This plan should examine: a) ways of eliminating duplication of efforts between constitutional officers and local officials; b) the possible regional provision of services currently provided by constitutional officers; c) the possible use of constitutional officers in collecting state receivables to offset potential reductions in general fund support; and d) possible streamlinings and consolidations that could be achieved in the agencies- The Compensation Board and the Commonwealth Attorney's Services Council - that currently administer and support constitutional officers.	Consolidation	Not Implemented
All Agencies / Statewide	Eliminate the Commonwealth's function as a power plant operator by developing an energy management process that will enable the private sector to take over the management, upkeep and upgrade of power plants.	Outsourcing	Not Implemented
All Agencies / Statewide	Develop a common chart of accounts that can identify with precision the total amount of dollars spent on consultants, utilize a return on investment criteria for consultant engagements and implement periodic external reviews of consultant utilization and renewal procedures.	Procurement	Not Implemented
All Agencies / Statewide	Remove Virginia Correctional Enterprises as a mandatory supplier for universities.	Procurement	Not Implemented
All Agencies / Statewide	The Right of the People to Re-Elect the Governor. At present, Virginia is the only state in which the people do not have the right to reelect their Governor to consecutive terms. In addition, the Governor is the only state elected office-holder in Virginia who can not be reelected. A good case can be made that long-term planning and accountability would be enhanced by granting this right to the public. The Commission recommends giving the public the right to decide whether it wishes to have the power to reelect a Governor for consecutive terms.	Efficiency	Not Implemented

Prepared by JLARC Staff, 5/4/2006

Secretariat	Recommendation Text	Recommendation Type	Implementation Status
Administration	Collection management should be standardized across agencies.	Collections	Fully Implemented
Administration	Individual agency payroll systems should be folded into service bureaus.	Consolidation	Fully Implemented
Administration	Eliminate all general fund support for the Commonwealth Competition Council.	Consolidation	Fully Implemented
Administration	Involve suppliers in inventory reduction efforts.	Inventory Management	Fully Implemented
Administration	Reduce the vacancy rate in office space leased by the Commonwealth to less than 5%.	Real Estate	Fully Implemented
Administration	Strategically manage the lease expiration and renewal process, including the 212 leases that will expire in the next year.	Real Estate	Fully Implemented
Administration	Develop a portfolio management system for handling real estate in the Commonwealth with clearly identified lines of responsibility.	Real Estate	Fully Implemented
Administration	The Commonwealth should develop better collections agency strategies through the utilization of multiple agencies, through differentiating commission based on values and by providing settlement guidelines to agencies.	Collections	Partly Implemented
Administration	The Commonwealth should minimize the use of "training incidentals" (travels, meals, lodging) by promoting the use of e-training and videoconferencing.	Training	Partly Implemented
Administration	If Virginia is to implement and achieve the savings identified in this report, it needs to ensure that state government is organized to work proactively and collaboratively. At present, primary responsibility for a number of key business practices is not clearly assigned. In addition, Virginia could do a better job of analyzing savings opportunities at the front end of its governmental processes. The Commission recommends that the Governor develop a plan to reorganize Cabinet functions in a manner that assigns clearer responsibility and authority on matters that are currently the responsibility of multiple officials. We recommend the adoption of a Roadmap for Virginia's future that includes the development of guiding principles, a long-term vision and a system of accountability emphasizing performance management that will allow citizens to be informed and engaged and will provide information to elected officials as they determine and fund services. An ongoing, bi-partisan Council on Virginia's Future should be established to monitor and report on its implementation.	Efficiency	Underway
Administration	Explore beneficial sale-leaseback opportunities for the property that the Commonwealth presently owns.	Real Estate	Underway
Administration	Legislation should be submitted to the 2003 General Assembly enabling the Commonwealth to use "debt sales" to raise dollars from its "uncollectible" and "unworked" receivables.	Collections	Not Implemented
Administration	The current time period for declaring accounts delinquent should be shortened.	Collections	Not Implemented
Administration	The Commonwealth should develop a comprehensive approach to training that defines appropriate roles/responsibilities for the Department of Human Resource Management Services, individual state agencies, higher education, private providers and the V-SHARE workforce development consortium.	Consolidation	Not Implemented
Administration	The feasibility of a payroll system serving all Virginia colleges and universities should be explored.	Consolidation	Not Implemented

Implementation Status of the 2002 *Commission on Efficiency and Effectiveness* Recommendations

Prepared by JLARC Staff, 5/4/2006

Secretariat	Recommendation Text	Recommendation Type	Implementation Status
Administration	Change the Budget Cycle. At present, a new Governor must submit budget amendments to the biennium budget proposed by his predecessor within a few days of assuming office. This is an extraordinarily difficult task for an incoming Governor. In addition, it leaves Virginia's Governor without the capacity to craft his own budget in its entirety until his third year in office. The Commission recommends a change in the budget cycle so that an incoming Governor would offer modifications to the second year of a biennial budget upon taking office. The incoming Governor would then craft his own biennial budget in the second year of his term. We recommend legislation to change the budget cycle beginning with the Governor elected in 2005.	Efficiency	Not Implemented
Administration	Reduce inventory balances in VDOT, DOC and ABC by 20%.	Inventory Management	Not Implemented
Administration	Centralize distribution systems.	Inventory Management	Not Implemented
Administration	Standardize inventory management practices across state agencies.	Inventory Management	Not Implemented
Administration	Request that the Auditor of Public Accounts develop a standard mandating that all inventories in excess of \$10,000 be classified as inventory in the state accounting systems.	Inventory Management	Not Implemented
Agriculture & Forestry	Move the office of Consumer Services from the Department of Agriculture.	Consolidation	Not Implemented
Commerce & Trade	Merge the Commission on Local Government into the Department of Housing and Community Development (maintaining the annexation functions and the collegial body within DHCD.	Consolidation	Fully Implemented
Commerce & Trade	Consolidate the Charitable Gaming Commission, Racing Commission and Lottery into a single department under the Lottery after a determination by the Governor of the most appropriate methods and timing for the consolidation.	Consolidation	Not Implemented
Education	Integrate Richard Bland College into the Community College System.	Consolidation	Not Implemented
Health & Human Resources	Merge the Department for the Blind and Vision Impaired, the Department for the Deaf and Hard of Hearing and the Department of Rehabilitative Services in a manner that will result in an enhancement and not a diminution of services. The Commission believes a consolidation plan that can result in the provision of more effective services needs to have genuine input and participation from the stakeholder groups.	Consolidation	Not Implemented
Health & Human Resources	The General Assembly may wish to direct the Department of Medical Assistance Services, in the design of the new nursing facility reimbursement system, to set the upper payment ceilings for the direct care operating costs at a certain percentage over the median costs of providing care in order to better address the costs associated with caring for a diverse population. In addition, DMAS should develop a price-based approach for the indirect care cost.	Funding Formula	Not Implemented
Independent Agencies	Merge the Council on Human Rights with the Office of the Attorney General. (Ensure the maintenance of all functions and the continuation of public input into its operations.)	Consolidation	Not Implemented
Natural Resources	Merge the State Milk Commission with the Department of Agriculture and Consumer Services (with input from the Milk Commission's regulants about the best means of accomplishing this task).	Consolidation	Fully Implemented
Natural Resources	Merge the Chesapeake Bay Local Assistance Department into the Department of Conservation and Recreation and maintain as a separate division within the department.	Consolidation	Fully Implemented

Implementation Status of the 2002 *Commission on Efficiency and Effectiveness* Recommendations

Prepared by JLARC Staff, 5/4/2006

Secretariat	Recommendation Text	Recommendation Type	Implementation Status
Natural Resources	Merge Chippokes Plantation into the Department of Conservation and Recreation.	Consolidation	Not Implemented
Natural Resources	Merge the Virginia Museum of Natural History into the Science Museum of Virginia.	Consolidation	Not Implemented
Public Safety	The Governor should acquire sound business assessments of the real value of a privatized ABC retail operation and develop an RFP process to realize this value and authorize legislation for the 2003 General Assembly session. Privatization should be structured so as to provide at least as equal a revenue stream to the localities and to the state activities that are presently supported by ABC earned income.	Outsourcing	Not Implemented
Technology	The Virginia General Assembly may wish to reorganize the information technology functions of State government by assigning responsibility for all information technology policy, planning, and services to a Chief Information Officer. The Chief Information Officer should be appointed by the Governor, subject to confirmation by the General Assembly. The Chief Information Officer should report to the Governor and serve as a member of the Governor's cabinet. The Virginia General Assembly may wish to establish in law specific management and technical qualifications for the position of Chief Information Officer. The role of the Chief Information Officer should be reviewed on a periodic basis to ensure that the office is appropriate to the changing information technology environment.	Consolidation	Fully Implemented
Technology	The Virginia General Assembly may wish to abolish the Council on Information Management, and assign all information technology policy, planning, and standards functions to the Office of the Chief Information Officer. The Chief Information Officer should be provided with adequate staff and other resources to carry out the information technology planning function.	Consolidation	Fully Implemented
Technology	All information technology services and activities now performed by the Department of Information Technology should be re-established in a Department of Technology Services. The Director of Technology Services should be appointed by the Governor and report to the Chief Information Officer.	Consolidation	Fully Implemented
Technology	As a part of the restructuring of the information technology function for State government, each State agency should conduct a self-assessment of its information technology organization. The assessment should evaluate the extent to which the agency information technology model proposed by the Gartner Group is appropriate for the agency.	Consolidation	Fully Implemented
Technology	The Virginia General Assembly may wish to create a client/server operations group within the State data center for the purpose of providing centralized client/server information technology services to State agencies.	Efficiency	Fully Implemented
Technology	The Virginia General Assembly may wish to consider continuing the use of internal service funds to finance and account for the services provided by the Department of Technology Services. The three funds should be the Computer Services Fund, the Telecommunications Services Fund, and the Technology Consulting Services Fund. Expenses of the Office of the Chief Information Officer should be recovered as overhead in the direct charges for the internal service funds.	Financial Management	Fully Implemented
Technology	The Virginia General Assembly may wish to establish by law the process which shall be used to privatize information technology functions or services in State government.	Outsourcing	Fully Implemented

Implementation Status of the 2002 *Commission on Efficiency and Effectiveness* Recommendations

Prepared by JLARC Staff, 5/4/2006

Secretariat	Recommendation Text	Recommendation Type	Implementation Status
Technology	The Virginia General Assembly may wish to direct the Department of General Services to evaluate the feasibility of using alternative approaches to procurement of information technology goods and services. Among the approaches which should be examined are performance-based procurement and a statewide, mandatory procurement card (P-card) program for small purchases.	Procurement	Fully Implemented
Technology	The Department of Information Technology should include provisions in all telecommunications contracts to establish acceptable levels of billing errors from vendors and require reimbursement from vendors for any costs incurred by the State to correct errors in excess of the standard. As vendors are brought into compliance with reasonable standards for billing accuracy, the billing reconciliation process could be converted to an audit on a periodic basis.	Procurement	Fully Implemented
Technology	The Virginia General Assembly may wish to direct the consolidation of the administration of the Commonwealth Telecommunications Network, Net.Work.Virginia, and the Metropolitan Area Network under a central network support organization. Wide area network research for State government should be established as the responsibility of the Commonwealth's research universities. Individual agencies should be prohibited from developing independent wide area networks.	Consolidation	Partly Implemented
Technology	As a part of the new structure for information technology, the Virginia General Assembly may wish to create a Technology Services Council to advise and assist the Chief Information Officer in the development of plans, standards, and policies related to information technology. Membership of the Council should consist of the Director of the Department of Technology Services, two agency information technology managers from each secretarial area, one agency technology manager each from the judicial and legislative branches, three information technology managers from State-supported institutions of higher education, and two information technology professionals from local government. Members from executive branch agencies and local governments should be appointed by the Governor for four-year, staggered terms. The Council should be chaired by the Chief Information Officer.	Consolidation	Partly Implemented
Technology	The Commonwealth of Virginia should maintain the existing decentralized approach for information technology services for State institutions of higher education, with the exception of wide area networks, which should be administered by a centralized telecommunications organization. In addition, institutions of higher education should make use of services provided by the Technology Consulting Division recommended in this report.	Consolidation	Partly Implemented
Technology	The Virginia General Assembly may wish to direct that use of the Unisys mainframe be discontinued by the year 2002, with the exception of the ADAPT system at the Department of Social Services. To facilitate migration of systems to other computer platforms, the General Assembly may wish to create a fund from which agencies may receive grants for development costs.	Efficiency	Partly Implemented
Technology	The Virginia General Assembly may wish to direct the Secretary of Administration to evaluate the feasibility of outsourcing systems development and desktop computing acquisition and support services. The Secretary should proceed with outsourcing such services if, after thorough evaluation, privatization is found beneficial.	Procurement	Underway
Technology	Eliminate the Center for Innovative Technology in its existing form and reconstitute it as part of a statewide initiative to enhance Virginia's research and development infrastructure.	Consolidation	Not Implemented

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