



GOVERNOR McDONNELL'S COMMISSION ON
GOVERNMENT REFORM
&
RESTRUCTURING

REPORT
TO THE
GOVERNOR



November 21, 2011



Commonwealth of Virginia
Office of the Governor

Robert F. McDonnell
Governor

Frederic Malek
Chairman

November 21, 2011

The Honorable Robert F. McDonnell
Patrick Henry Building
1111 E. Broad Street
Richmond, Virginia 23225

RE: 2011 Government Reform and Restructuring Commission Recommendations

Dear Governor McDonnell:

On behalf of the members of the Government and Reform Restructuring Commission, I am pleased to submit for your consideration a series of recommendations.

The Commission developed a number of commonsense recommendations aimed at improving government efficiency. I am confident these recommendations will provide you with several options to consider moving forward during the 2012 General Assembly Session. Commission members dedicated their time and tremendous insight to the recommendation process and in doing so, produced a quality product.

I am also appreciative of the time and assistance your staff provided thus far. Members of cabinet, staff, and agencies provided tireless support of the Commission and your goal of making government more cost effective and at the same time more responsive to the needs of the citizens of the Commonwealth.

It is my honor to serve as Chairman of the Commission, and I am thankful for the hard work, creativity and leadership the members of the Commission provided. I am confident you will build a robust government reform agenda from the Commission's endorsed recommendations.

Sincerely,

A handwritten signature in cursive script, appearing to read "Fred Malek".

Fred Malek
Chairman
Governor's Commission on Government Reform
and Restructuring

Commission Members

Fred Malek, Chairman
Speaker William J. Howell, Vice-Chair
The Honorable Benjamin Lambert, Co-Vice Chair

The Honorable Robert H. Brink
The Honorable Ric Brown
The Honorable Benjamin L. Cline
The Honorable John A. Cosgrove
Ms. Heather Cox
Mr. William Eggers
Mr. Howard Estes
Mayor Paul Fraim
Mr. Bruce Gemmill
Ms. Marcia Gilliam
The Honorable Lisa Hicks-Thomas
Councilwoman Alicia Hughes
Councilwoman Suzy Kelly
Ms. Bobbie Kilberg
Ms. Alexandra Liddy Bourne

The Honorable L. Louise Lucas
The Honorable Ryan T. McDougale
The Honorable Alexander McMurtrie
The Honorable Maurice McTigue
The Honorable Mark D. Obenshain
The Honorable G. Glenn Oder
Mr. Scott Pattison
The Honorable Jack Rust
Mr. Geoff Segal
Mr. Gilbert Shelton
The Honorable Ron Tillett
The Honorable R. Lee Ware
The Honorable Mary Margaret Whipple
Mr. John O. "Dubby" Wynne

Special Advisors to the Commission:

The Honorable William Leighty
Mr. Mike Thompson

Staff to the Commission:

Jeff Palmore, Director of Policy Development and Deputy Counselor
Julia Hammond, Director of Legislative Affairs and Policy Advisor
Andrew Lamar, Deputy Director of Legislative Affairs and Policy Advisor
Generra Peck, Special Assistant for Policy Development
Jenny Wortham, Special Assistant for Legislative Affairs and Information Systems

Background

On January 16, 2010, Governor McDonnell signed Executive Order 2, creating the Governor's Commission on Government Reform and Restructuring. Governor McDonnell charged the Commission to:

- *Identify opportunities for creating efficiencies in state government, including streamlining, consolidating, or eliminating redundant and unnecessary agency services, governing bodies, regulations and programs;*
- *Explore innovative ways to deliver state services at the lowest cost and best value to Virginia taxpayers;*
- *Seek out means to more effectively and efficiently perform core state functions, including potential privatization of government operations where appropriate, and restore focus on core mission oriented service; and*
- *Examine ways for state government to be more transparent, user friendly and accountable to the citizens of the Commonwealth.*

Governor McDonnell appointed many of Virginia's top leaders in the public and private sector, who value results-oriented leadership, demand results from investment and above all else, seek to protect the public dollar. In 2010, the Commission immediately identified areas in which government could work better for the Commonwealth and implemented a number of operational improvements. The Commission developed an aggressive set of recommendations and produced significant results for the Commonwealth.

Over the course of 2011, the Commission looked closer at the mission of government and identified areas in which the Commonwealth could reduce and eliminate programs, streamline functions and eliminate or consolidate agencies. As you will see in the attached list of recommendations, the Commission's recommendations are bold and precise.

Current Environment

Over the past twenty-two months, Virginia has seen unprecedented challenges that have required state government to become more lean, streamlined and focused on results. Virginia's operations are varied. The Commission worked to identify areas in which government is not focused on mission-critical operations.

The Commonwealth faces unprecedented budget challenges combined with dramatic increases in state spending over the past ten fiscal years. According to a recently released draft of the "Review of State Spending," produced by the Joint Legislative Audit and Review Commission (JLARC), over the last decade, Virginia's operating budget increased by \$15.5 billion (66%) – a 289% increase in general funds and a 105% increase in non-general funds. The report also notes that the ten largest State agencies accounted for 69% of the entire State budget in FY 2011 and 74% of all budget growth between FYs 2002 and 2011. Further, growth in state funding was also concentrated in a few large core programs: eight programs in health care, education, and transportation accounted for nearly 60% of all budget growth.

Considering the significant burden placed on states by ongoing unfunded federal mandates and the rising cost of managing the core programs of government, the Commonwealth must focus on its core functions, and where possible, reduce spending and eliminate non-essential and duplicative programs.

Virginia currently supports over 300 boards and commissions ranging from Boards of Visitors at our state institutions of higher education to advisory boards housed in various agencies across state government. Each board requires staff hours to consider, vet and transition appointments, as well as considerable time in preparing for meetings and coordinating follow-up. Many boards and commissions were created in response to a particular need or to engage stakeholder input in a meaningful form. The Commission recognizes the importance of involving stakeholder and practitioner input in the promulgation of regulation, coordination of the state response to particular issues and in the policy development process. However, the respective agency head and cabinet member has broad authority to convene work groups as required. As boards and commissions are created or modified and in time, begin to overlap and erode the original need for the board or commission. Boards and commissions can become duplicative of other governing, advisory or regulatory bodies overlap in the delivery of the core function. The elimination of certain boards and commission provide for a more efficient governing system and refocuses staff time to the core mission of the respective agency.

Work of the Commission

The Commission worked closely with Governor's staff, stakeholders, legislators and policymakers to identify research and formulate thoughtful recommendations for Governor McDonnell's consideration.

The Commission met three times throughout the year to review and consider the direction of proposed recommendations. You will see a trend across proposals to reduce government, increase service to citizens and protect the taxpayer dollar by demanding a reasonable return on investment made through each program and charge.

Acknowledgements

The Commission would like to thank and recognize the feedback received from the public. The feedback was discussed in depth and found to be critical in helping form the best possible recommendation for Governor McDonnell's consideration.

Members of the Governor's staff and agencies provided valuable research assistance. As ideas were proposed, the secretariat and agency staff provided valuable insight to the work of the Commission. The hard work by each staff member transcended across secretariat and agency and often involved great collaboration and flexibility. The Commission is thankful for their time and dedication to the mission of the Commission.

**Recommendations of the Commission
on Government Reform and Restructuring**

Health and Human Resources

Item	Recommendation
1.	<p><i>Agency Reorganization:</i> Merge the Department of Rehabilitative Services and the Department for the Aging</p>
	<p>The Department of Rehabilitative Services (DRS) already performs certain human resources, information technology, fiscal and general services, communications/public relations and internal audit services for VDA under a memorandum of agreement. This merger would reduce confusion for Virginians who currently seek services from more than one agency. The merger also reduces confusion for providers that currently report to and receive funds from more than one state agency.</p> <p>The merger would create a unified vision and improved outcomes for similar services and supports. Additionally, the merger will streamline and avoid duplication in oversight of similar functions as well as making better use of information, training and staff resources.</p> <p><i>The Commission makes the following recommendation:</i> The Commission recommends merging the Department of Rehabilitative Services and the Department for the Aging to form the Virginia Department for the Aging and Rehabilitative Services.</p>
2.	<p><i>Agency Reorganization:</i> Merge the newly proposed Virginia Department for the Aging and Rehabilitative Services, and the Virginia Department for the Deaf and Hard of Hearing.</p>
	<p>The Department of Rehabilitative Services (DRS) already performs certain human resources, information technology, fiscal and general services, communications/public relations and internal audit services for VDDHH under memorandum of agreement.</p> <p>Additionally, with the merger of VDA and DRS, and the growing number of older Virginians receiving services through VDDHH, this additional merger would reduce confusion for individuals and caregivers who seek services provided through more than one agency.</p> <p>The merger would support better informed referrals and improved outcomes. Additionally, the merger would increase awareness and make better use of information, training and staff resources.</p>

	<p><i>The Commission makes the following recommendation:</i> The Commission recommends that, following the creation of the newly proposed agency of the Virginia Department for the Aging and Rehabilitative Services mentioned above, the Virginia Department for the Deaf and Hard of Hearing should be merged into the new agency.</p> <p>In the course of the merger, the Department should work with stakeholder groups to ensure that services are improved as a result of the merger. The Department should also create measurement tools to ensure that the well-being of citizens using the services provided by the new, merged Department is improved.</p>
3.	<p><i>Agency Reorganization: Consolidate DSS adult services and adult protective services into the newly proposed Department for the Aging and Rehabilitative Services (and VDDHH if accepted).</i></p>
	<p>Adult Protective Services investigates reports of abuse, neglect, and exploitation of adults 60 years of age or older and incapacitated adults age 18 or older. If protective services are needed and accepted by the individual, local Adult Protective Services social workers may arrange for a wide variety of adult services, including; health, housing, social and legal services to stop the mistreatment or prevent further mistreatment. Services offered may include home-based care, transportation, adult day services, adult foster care, nutrition services and legal intervention in order to protect the adult. Services may also be arranged for individuals in emergency situations who lack the capacity to consent to services.</p> <p>This consolidation would reduce redundancy in the oversight and state administration of similar functions.</p> <p>For example, the average constituent will call the Department for the Aging (VDA) with concerns of alleged elder abuse or exploitation, rather than contacting the Adult Services/Protective Services unit of DSS.</p> <p><i>The Commission makes the following recommendation:</i> The Commission recommends transferring the function of Adult Services and Adult Protective Services (APS) from the Department of Social Services (DSS) to the newly proposed Virginia Department for the Aging and Rehabilitative Services.</p>
4.	<p><i>Board Consolidation: Consolidate the Public Guardian and Conservator Advisory Board with the Commonwealth Council on Aging</i></p>
	<p>The Public Guardian and Conservator Advisory Board, established by §2.2-2411 of the Code of Virginia, provides advice to the Commissioner of the Department for the Aging about public guardianship. The Board also assists in the coordination and management of local public guardianship programs. The Board consists of no more than fifteen members appointed by the Governor.</p>

	<p>The Commonwealth Council on Aging promotes an efficient, coordinated approach by state government to meeting the needs of older Virginians. The Council has 19 appointed members and five ex-officio members. The Governor appoints 11 members, one from each of Virginia’s congressional districts. Of the remaining eight at-large members, four are appointed by the Speaker of the House of Delegates and four by the Senate Committee on Privileges and Elections. The Council meets quarterly.</p> <p><i>The Commission makes the following recommendation:</i> The Commission recommends merging the Public Guardian and Conservator Advisory Board with the Commonwealth Council on Aging.</p>
5.	<p><i>Board Consolidation: Consolidate the Advisory Board on Child Abuse and Neglect with The Family and Children's Trust Fund</i></p>
	<p>The Advisory Board on Child Abuse and Neglect is composed of nine persons appointed by the Governor for three-year staggered terms, and permanent members including the Superintendent of Public Instruction, the Commissioner of Health, the Commissioner of Behavioral Health and Developmental Services, the Commissioner of Social Services, the Director of the Department of Juvenile Justice, the Director of the Department of Corrections, the Director of the Department of Criminal Justice Services, and the Attorney General of Virginia, or their designees. The Advisory Board meets quarterly and, as the need may arise, advise the Department, Board and Governor on matters concerning programs for the prevention and treatment of abused and neglected children and their families and child abuse and neglect issues identified by the Commissioner of Social Services.</p> <p>The Family and Children's Trust Fund (FACT) provides for the support and development of services for the prevention and treatment of violence within families. This goal is achieved through public and private collaboration.</p> <p><i>The Commission makes the following recommendation:</i> The Commission recommends merging the Advisory Board on Child Abuse and Neglect with FACT.</p>
6.	<p><i>Board Elimination: Eliminate the Hemophilia Advisory Board</i></p>
	<p>The Virginia Hemophilia Advisory Board is a board, appointed by the Governor, that advises and assists the Virginia Department of Health in the administration of the CSHCN Hemophilia Program. The board includes representations from voluntary agencies interested in hemophilia, hematologists, blood banks/pharmacies, medical schools, hospitals, local public health agencies and the general public.</p> <p>The Commissioner of the Virginia Department of Health (VDH) may appoint an Advisory Committee with more flexibility and less cost to the Commonwealth.</p> <p><i>The Commission makes the following recommendation:</i> The Commission recommends eliminating the Hemophilia Advisory Board.</p>

7.	Board Elimination: Eliminate the Sewage Handling and Disposal Appeal Review Board
	<p>The State Health Department Sewage Handling and Disposal Appeal Review Board (ARB) consist of seven members, appointed by the Governor subject to confirmation by the General Assembly. The members include one member who is a soil scientist; one member who is a professional engineer in private practice; one member who is a residential builder; one member who is an academic professional engaged in research and teaching in a soils-related discipline; one member who has had experience in the field of enforcement of onsite sewage disposal regulations; one member who is engaged in private soils analysis work related to the installation of onsite sewage systems; and one member from the public at large who may have experience in the installation of onsite sewage systems. The members shall serve at the pleasure of the Governor. The ARB hears the appeals of denials of onsite sewage permits and certification letters, Betterment Loan Eligibility Letters, and requests for reimbursement from the Onsite Sewage Indemnification Fund.</p> <p>Eliminating the Board would remove a “step” and would streamline the judicial process.</p> <p>The Commission makes the following recommendation: The Commission recommends eliminating the ARB.</p>
8.	Board Elimination: Eliminate the Child Day Care Council
	<p>Since its inception in 1987, the licensing and regulation of Child Day Care Centers was done by the Board of Social Services. The Child Day-Care Council has revised, simplified and adopted several new standards for the benefit and safety of children. Under the council, child day centers are child day programs offered to (i) two or more children under the age of 13 years in a facility that is not the residence of the provider or of any of the children in care or (ii) 13 or more children at any location. Examples of child day centers include child care centers, before- and after-school programs, nursery schools and certain camps.</p> <p>Originally, the Council was composed of a minimum of 13 members; however, in 2002, membership was increased by the General Assembly to a minimum of twenty-nine. All members are appointed by the Governor and represent a variety of interests from around the state. The standards cover a range of topics including such things as background checks for day center staff, physical plant requirements, nutrition and food services, and first aid. The CDCC is authorized by the <i>Code of Virginia</i> to adopt regulatory standards for licensure and operation of child day care centers in Virginia. The council is comprised of a minimum of 29 members. Members are appointed by the Governor and represent a variety of interests from around the state. While the Administration values the role of the Child Day Care Council in assuring that Virginia’s children are cared for in a safe environment while away from home, it is believed that the duties and responsibilities of the Child Day Care Council can be assumed through representation on the Board of Social Services.</p>

	<p><i>The Commission makes the following recommendation:</i> The Commission recommends eliminating the Child Day Care Council and assign oversight of child day care centers and a representative member to the Board of Social Services.</p>
9.	<p><i>CSA: Data Management</i></p>
	<p>Data Management: There is need for wider data collection and integration of that data across current systems and agencies. The collection and analysis of data will enable several critical processes including:</p> <ul style="list-style-type: none"> ○ Measurement of service value to youth and families. ○ Increasing efficiencies in service delivery (to result in cost savings), ○ Identification and correction of wasteful and/or fraudulent activities, and <ul style="list-style-type: none"> ● a link between local financial data and the state case management systems would enable the Office of Comprehensive Services to monitor for fraud, abuse and waste while at the same time ensure performance management with cost benefit analysis. <p>Integrating service utilization and local financial data would allow for reporting that examines cost efficiency and efficacy per service type by provider and to identify practices and services with desirable outcomes. The Office of Comprehensive Services could provide local CPMTs with a cost benefit analysis on any array of services provided to Virginia’s at-risk youth.</p> <p><i>The Commission makes the following recommendation:</i> The Commission recommends supporting the efforts of a comprehensive information system that will enable integration of data across current systems and agencies. The Office of the Secretary of Health and Human Resources is collaborating with a private foundation to match state funds with private funds for this project.</p>
10.	<p><i>CSA: Appropriate Use of Federal Funding Streams</i></p>
	<p>The federal government provides matching funds for certain foster care services (daily maintenance and supervision) through Title IV-E. The Department of Social Services is currently conducting a review of certain localities to ensure the correct and appropriate use of available federal dollars. In addition, several companies and academic institutions provide services to review IV-E expenditures for compliance and maximization of federal funds. For example, Virginia Tech's Institute for Policy and Governance found \$3.5 million in federal funds last year for one locality.</p> <p><i>The Commission makes the following recommendation:</i> The Commission recommends continuing internal revenue maximization efforts within CSA and exploring options to establish regional eligibility experts to assist local agencies in improving agency compliance with federal funding rules.</p>

11.	CSA: Care Coordination
	<p>The original CSA created a system of care coordination and additional principles have been identified through revisions to statute and through the Appropriations Act since the enactment of the CSA. The principles, however, have been left to local discretion for implementation.</p> <p><i>The Commission makes the following recommendation:</i> Support the authority of the State Executive Council to adopt principles of care coordination as policy and to require local compliance with such policies for access to state Pool Funds.</p>
12.	CSA: Internal Restructuring
	<p>Since the enactment of the CSA, the focus of the Office of Comprehensive Services has shifted its emphasis between monitoring/compliance activities and the provision of training and technical assistance. DHRM is assisting in reorganization of the office and staff job responsibilities to ensure the ability to successfully accomplish both functions through a model of continuous quality improvement.</p> <p><i>The Commission makes the following recommendations:</i> Support hiring auditor position to enhance the ability of the OCS to successfully meet the need to utilize expenditure data for program accountability and improvement.</p> <p>Support the Office of Comprehensive Services in contracting for local financial audits and the implementation of ongoing monitoring reviews.</p>
13.	CSA: Strengthening Internal Audit Ability
	<p>The Department of Social Services is currently conducting audits for adoption assistance payments; they have reviewed 12 localities for the appropriateness of their payments and have found \$10 million (\$5 million in state GF) of expenditures that can appropriately be charged to federal funding streams.</p> <p><i>The Commission makes the following recommendation:</i> Support internal agency audits among CSA partner agencies and have agencies report back to the committee on the results of their efforts.</p>
14.	CSA: Performance Based Contracting
	<p>The ability to implement performance based contracting effectively will be enabled by the data collection and analysis recommended in the first action item.</p> <p><i>The Commission makes the following recommendation:</i> Require the Office of Comprehensive Services to identify core outcomes aligned with best practices to be used as the basis for performance based contracting by localities when purchasing services.</p>

Administration/HR

Item	Recommendation
1.	<i>Reform State Employee Leave System</i>
	<p>Virginia’s classified state employees have over 17 categories of leave. This system creates a confusing system that leaves both employees and managers confused. In addition, the current system and amount of unused leave has created a system of payouts that will be unsustainable given the state’s aging workforce.</p> <p>Last year, the Government Reform Commission recommended reforming the employee leave process to make it more consistent and manageable. Since then, the Dept. of Human Resources Management (DHRM) has convened two different employee workgroups that are considering ways to reform leave to ensure sound financial standing and employee fairness.</p> <p><i>The Commission makes the following recommendation:</i> Continue the work of leave reform efforts with a goal of moving towards a Paid Time Off System that more closely resembles leave systems in the private sector. The ultimate goal should be a leave system that is easier to administer, fair for employees and easy to understand (with fewer categories of leave), and ensures proper stewardship of taxpayer dollars. The Commonwealth should continue moving towards a centralized leave system so that leave can be administered more globally. The Governor should also pursue legislation that will: (1) allow the Virginia Sickness and Disability Plan (VSDP) and non-VSDP employees to be combined into the same, more streamlined leave system; and (2) eliminate the statutory requirement for family and personal leave in order to allow for a statewide PTO system.</p>
2.	<i>Shortening and Simplifying the Employee Grievance Process</i>
	<p>The current average for the grievance process to conclude is 107 days.</p> <ul style="list-style-type: none"> • 89 days when concluded in the management step phase within employing agency • 153 days when concluded at hearing • 320 days when concluded after Circuit Court decision <p>The process is confusing and intimidates employees and managers—discouraging both employee reporting of problems with management and management addressing workforce issues.</p> <p><i>The Commission makes the following recommendation:</i> Lengthy disputes can deter employees and managers from taking advantage of the dispute process. The length of the dispute process is often extended through procedural delays by employees and managers. The Department of Human Resources Management (DHRM) should be empowered to manage and prevent excessive delays during the grievance process.</p>

	<p>The Department of Human Resources Management should administer a revised hearing phase of the employee grievance process that is currently managed by the Department of Employment Dispute Resolution (EDR). This revised process should ensure an independent review of decisions during the grievance process that progresses in a faster manner (and prior to lawsuits). This will also ensure a better manageable and less-intimidating process that will benefit employees, managers, and citizens.</p>
<p>3.</p>	<p><i>Reducing the Cost of Mailing and Shipping by State Agencies</i></p>
	<p>In Fiscal Years 2010 and 2011, the agencies of the Commonwealth (non-Higher Education) spent more than \$28 million on postage and more than \$1.5 million on express delivery services (ex.- UPS, FedEx, DHL, USPS Express, etc.).</p> <p><i>The Commission makes the following recommendation:</i> The Governor should direct investigation of increased opportunities for reforms to mail sent by state agencies that will:</p> <ul style="list-style-type: none"> • Reduce mail between state agencies; • Reduce unnecessary use of express delivery services; • Prioritize use electronic mail over traditional mail delivery; • Promote use of more cost-efficient mailing options (bulk mail, postcards, etc.) • Encourage better utilization of the centralized mail system; and • Identify for possible elimination legislation and regulations that require mailings that are no longer necessary or can be sent using electronic or other means.
<p>4.</p>	<p><i>Reducing Printing of Reports by State Agencies</i></p>
	<p>Numerous reports are required throughout the <i>Code of Virginia</i> in order to keep the Governor, the General Assembly, and state agencies informed about the ongoings of state government. These reports provide useful information about progress of important initiatives and the status of government programs. These, reports, however, do not need to be printed at government expense in order to notify the relevant agencies and constituencies.</p> <p>Executive Order 19 (2010) states: “Every effort should be made for publications of the executive branch agencies and institutions to be published in electronic form only, unless there is a statutory or regulatory requirement to the contrary, or a substantial portion of the intended recipients of the publication cannot be reached electronically.” The Commonwealth should implement this policy government-wide.</p> <p><i>The Commission makes the following recommendation:</i> Legislation should be adopted that all reports and publications shall be published in electronic form only, unless a substantial portion of the intended recipients of the publication cannot be reached electronically. The Governor should direct an accounting of all currently required reports and identify those that are no longer necessary. In order to keep the public informed about their government, all public reports should online.</p>

5.	Board Elimination: Commonwealth Competition Council
	<p>The Commonwealth Competition Council examines methods of providing a portion or all of select government-provided or government produced programs and services through the private sector by a competitive contracting program.</p> <p>While the Council was created with a laudable goal of finding opportunities for privatization, it has not flourished in recent years and made very few recommendations. At its creation, privatization of government functions was a novel and cutting-edge idea. These days, many of the functions that were previously performed by the government are now provided by private industry. Additionally, government and the private sector are constantly seeking out new opportunities for privatization of government functions.</p> <p><i>The Commission makes the following recommendation:</i> The Commonwealth Competition Council should be eliminated. Recognizing that we should not lose sight of the importance of privatization, the Governor should continue to direct periodic review of opportunities for private-sector collaboration in the delivery of government services.</p>
6.	Board Elimination: Interagency Dispute Resolution Council
	<p>The Virginia Administrative Dispute Resolution Act created this Council to encourage the use of mediation and other forms of alternative dispute resolution (ADR) in all public bodies. While this goal remains essential to the operations of state government; this function can be completed by the Department of Human Resource Management as part of its core mission.</p> <p>“Alternative Dispute Resolution” is an important tool that can greatly increase efficiencies and effectiveness across state government. Costs of staffing and administration of this board were estimated at almost \$3,000 for FY2011 despite being unfunded by the General Assembly and without offering travel reimbursements to members. Many seats remain unfilled and participation is low.</p> <p><i>The Commission makes the following recommendation:</i> Eliminate the Interagency Dispute Resolution Council. Common-sense, best management practices demand the use of mediation and talking through problems as part of what productive leaders inherently do. The administration may consider issuing a statement affirming the innumerable positive benefits of alternative dispute resolution in resolving disputes between state agencies, employees, and institutions. The staff of the Department of Human Resource Management should be authorized to perform agency training seminars and educational programs on the use of dispute resolution proceedings.</p>

7.	Board Elimination: Purchase and Supply Procurement Appeals Board
	<p>Virginia’s public procurement officials are trained on a specific professional curriculum rooted in national, longstanding best practices for awarding public contracts. A separate appeals board has added additional administrative burden and time to appeals decisions. Often vendors find it preferable to engage with the relevant agency procuring goods or services to address their concerns.</p> <p>The Commission makes the following recommendation: The Purchase and Supply Procurement Appeals Board should be eliminated. A requisite step in proper contract administration is to be responsive to vendor concerns, questions, or appeals. Certification as a Virginia public buyer requires training on the Virginia Public Procurement Act and Agency Procurement and Surplus Property Manual. Buyers follow the established protocols and rules in the fair and equitable treatment of vendors and are encouraged to make themselves available to speak directly with vendors. This concept should be reinforced in training for new buyers and subsequent training required of current buyers.</p>
8.	Board Elimination: Virginia Public Buildings Board
	<p>This Board has met only a handful of times in the past ten years, and its responsibilities overlap with the Capitol Square Preservation Council. It does not serve a function that cannot be served by the Capitol Square Preservation Council.</p> <p>The Commission makes the following recommendation: This Board should be eliminated. Any essential functions should be transferred to the Capitol Square Preservation Council.</p>
9.	Board Elimination: Virginia Council on Human Resources
	<p>The Virginia Council on Human Resources was created as a statutory means of communicating employee issues and feedback across the enterprise of state government. Funding for the costs of expenses is incurred by DHRM as mandated by <i>Code</i>. In order to get feedback on specific issues related to state employees, DHRM already forms state employee feedback workgroups on issues on an as-needed basis.</p> <p>The Commission makes the following recommendation: This Council is not necessary to fulfill the state's core mission and should be eliminated. DHRM should continue to engage employees through ad hoc workgroups as necessary and maintain its responsive nature to all employee concerns. DHRM should also engage with nonlegislative citizen members for feedback and input on specific human resources policies for all public bodies.</p>

Commerce and Trade

Item	Recommendation
1.	<p><i>Reduce Barriers to Business:</i> Support legislation to require comprehensive review before an industry may become regulated.</p> <p>Virginia currently regulates over 30 industry groups, ranging from hair braiders to soil scientists to health professions. Nearly every year, legislation is introduced to regulate and/or license another profession or industry. The short length of a General Assembly session doesn't always allow for a thorough review and ample time for stakeholder input.</p> <p>In 2006, the General Assembly directed the Joint Legislative Audit and Review Commission (JLARC) to provide staff assistance to the Special Advisory Commission on Mandated Health Insurance Benefits. The amendments require JLARC to join the State Corporation Commission's Bureau of Insurance (BOI) in providing staff assistance to the Special Advisory Commission. The Commission and staff's role is to evaluate the social and economic costs and benefits of any proposed mandated health insurance benefit or mandated provider, and make recommendations. This process has provided for serious review and consideration before a proposed mandate becomes law.</p> <p>A similar process could be implemented to provide the needed review and research on the regulation of industries.</p> <p><i>The Commission makes the following recommendation:</i> The Commission recommends that legislation modeled similarly to the Commission On Mandated Health Insurance Benefits legislation, allowing for a means to study and provide recommendations on the need to regulate a certain industry. The study will account for a long-range economic impact to the industry as well as the barriers to entry created by the regulation and should be reported back to the General Assembly for final action.</p> <p>The Commission also recommends legislation placing a five-year moratorium on the regulation of new professions in Virginia.**</p> <p>Additionally, in order to address the growing regulatory burden on small businesses that stands in the way of job creation in the Commonwealth, the Governor should direct a comprehensive review of regulations to identify those that are unnecessary, overly burdensome, or harmful to economic growth. The Commission strongly recommends that regulatory relief be one of the Governor's highest priorities in 2012.</p> <p><i>*Delegate Brink and Councilwoman Kelly voted against this recommendation.</i> <i>** This recommendation should not be construed to take any position on the mining of uranium in Virginia. The Commission takes no position on that issue.</i></p>

2.	Reduce Barriers to Business: De-regulate Polygraph Examiners by eliminating the Polygraph Examiners Advisory Board.
	<p>The Polygraph Examiners Advisory Board was established in 1968 to regulate individuals who administer and interpret lie detecting tests. The Director of the Department has full governing authority. The Advisory Board is comprised of six licensed polygraph examiners (three PE's in law enforcement and three PE's in private sector) and two citizen members. Each member is appointed by the Director for a four-year term and may not serve for more than two consecutive terms.</p> <p>The industry standard for the professions is met by attaining a degree in administering polygraph exam. DPOR issued its first sanction of a regulatory violation in 2011.</p> <p>The Commission makes the following recommendation: The Commission recommends the elimination of the Polygraph Examiners Advisory Board.</p>
3.	Reduce Barriers to Business: De-regulate hair braiders
	<p>The Board for Barbers and Cosmetology was created by merging the Board for Barbers and the Board for Cosmetology, both originally established in 1962, through legislation signed by Governor Gilmore in April of 2000. In accordance with Virginia statute, the Board is composed of ten members, eight members are licensed practitioners in the respective regulated professions, and two are citizen members. The Board regulates businesses and individuals that engage in barbering, cosmetology, nail care, waxing, hair braiding, tattooing, body-piercing, and esthetics. The Board also regulates individuals who teach and schools that provide training in barbering, cosmetology nail care, waxing, hair braiding, tattooing, and esthetics. The Board regulates approximately 73,000 individuals, businesses, and schools.</p> <p>The Commission makes the following recommendation: The Commission recommends legislation to eliminate the regulation of hair braiding by the Board for Barbers and Cosmetology through Section 54.1-700 of the Code of Virginia.</p> <p><i>*Mr. McTigue, Mr. Shelton, and Mr. McMurtrie voted against this recommendation because of concern that it did not deregulate enough activities.</i></p>
4.	Board Elimination: Eliminate the Board of Mineral Mining Examiners
	<p>The Board of Mineral Mining Examiners (BMME) may require certification of persons who work in mineral mines and persons whose duties and responsibilities in relation to mineral mining require competency, skill or knowledge in order to perform consistently with the health and safety of persons and property. The following certifications are issued by the Board:</p> <ol style="list-style-type: none"> 1. Surface foreman 2. Surface foreman open pit 3. Underground foreman 4. Surface blaster 5. Electrical repairman 6. Underground mining blaster 7. General mineral miner 8. Mine inspector

	<p><i>The Commission makes the following recommendation:</i> The Commission recommends eliminating the Board of Mineral Mining Examiners and managing the functions administratively within the Division of Minerals. The Director of DMME may call together regulatory advisory panel (RAP) to provide in stakeholder input during the regulatory process.</p>
5.	<p><i>Reduce Barriers to Business: De-regulate mold inspectors and mold remediators.</i></p>
	<p>The Virginia Board for Asbestos, Lead, Mold, and Home Inspectors regulates the licensure of mold inspectors and mold remediators.</p> <p>The EPA does not see a need to regulate mold remediation in a home. This is an example of Virginia over regulating where the EPA does not.</p> <p><i>The Commission makes the following recommendation:</i> The Commission recommends de-regulating the mold inspectors and mold remediators.</p>
6.	<p><i>Reduce Barriers to Business: De-regulate Interior Designers and Landscape Architects</i></p>
	<p>The Board for Architects, Professional Engineers, Land Surveyors, Certified Interior Designers and Landscape Architects issues the Certified Interior Designer and Landscape Architects Programs. There are few, if any complaints in these two sections and very few regulatory violations.</p> <p><i>The Commission makes the following recommendation:</i> The Commission recommends eliminating the Certified Interior Designer program and the Landscape Architect program.</p> <p><i>* Councilwoman Hughes, Councilwoman Kelly, Mr. Oder, and Mr. Tillett voted against this recommendation.</i></p>
7.	<p><i>Reduce Barriers to Business: Consolidate the Board for Opticians and the Board for Hearing Aid Specialists</i></p>
	<p>This Board for Hearing Aid Specialists was established in 1970. The purpose of this Board is to license those who are qualified, either by a temporary permit or full licensure, to test and fit individuals who need the assistance of a hearing aid.</p> <p>The Board for Opticians was established in 1954 to regulate individuals who fit and sell prescription glasses and contact lenses. The Board is comprised of three licensed opticians, an ophthalmologist, and one citizen member. Each member is appointed by the Governor for a four-year term and may not serve for more than two consecutive terms. The Board meets a minimum of four times per year.</p>

	<p>Both boards regulate hearing aid device professionals. The Boards receive few complaints and those that come in are usually regarding customer service issues rather than a violation of the regulations. The Office of Consumer Affairs at VDACS can manage customer service issues related to hearing aid devices.</p> <p><i>The Commission makes the following recommendation:</i> The Commission recommends consolidating the Board for Opticians and the Board for Hearing Aid Specialists.</p>
8.	<p><i>Board Consolidation: Consolidate the Board for Geology with the Board for Professional Soil Scientists and Wetlands Professional</i></p>
	<p>The Board for Professional Soil Scientists and Wetland Professionals is composed of seven members: three certified professional soil scientists, three certified professional wetland delineators and one citizen member. The Board for Geology is composed of five members as follows: three geologists of varied geological backgrounds and two citizen members.</p> <p><i>The Commission makes the following recommendation:</i> The Commission recommends merging the Board for Geology with the Board for Professional Soil Scientists and Wetlands Professionals and renaming the board the Earth Science Board.</p>
9.	<p><i>Board Realignment: Reorganizing the Small Business Commission and Eliminating the Small Business Advisory Board</i></p>
	<p>The Small Business Commission, established pursuant to Chapter 22 (§ 30-182 et seq.) of the Code of Virginia, exists to study, report, and make recommendations on issues of concern to small businesses in the Commonwealth. The Commission is made up of 14 members – four citizens and ten legislators.</p> <p>The Small Business Advisory Board is strictly an advisory board, not a policymaking board. The Board has not had a quorum in the past eight meetings. The Governor and/or Secretary of Commerce and Trade have broad ability to name a Task Force in response to serve in an advisory capacity.</p> <p><i>The Commission makes the following recommendation:</i> The Commission recommends adding two governor-appointed seats to the Small Business Commission and eliminating the Small Business Advisory Board. The additional seats on the Small Business Commission should be existing small business owners.</p>
10.	<p><i>Board Elimination: Eliminate the Board of Surface Mining Review</i></p>
	<p>The Board of Surface Mining Review has not met since 2008 and only meets if an appeal is made. Appeals can be handled within the Department of Mines, Minerals and Energy (DMME) within the Division of Mining.</p> <p><i>The Commission makes the following recommendation:</i> The Commission recommends eliminating the Board of Surface Mining Review. The authority management by the Board will be streamlined through the APA process.</p>

11.	Board Elimination: Eliminate the Virginia National Defense Industrial Authority(VNDIA)
	<p>In 2005, the General Assembly created the Virginia National Defense Industrial Authority (previously an advisory board created through executive order) “ to foster and promote business, technology, transportation, education, economic development and other efforts in support of the mission, execution, and transformation of the United States government military and national defense activities located in the Commonwealth.”</p> <p>VNDIA is governed by a Board appointed by the Governor and the General Assembly. They are an affiliated agency of the Secretary of Commerce and Trade – with their budget funding passed through the Virginia Economic Development Partnership, where they are co-located. This board may appoint an executive direction and has chosen to do so. There are currently three individuals employed at VNDIA. With the winding down of the 2005 BRAC and the creation of the Secretary of Homeland Security and Veterans Affairs, VNDIA is duplicative of the new Secretariat efforts and charge as outlined in the Code of Virginia. As was recommended to the Governor’s Commission on Government Reform and Restructuring in 2010, the Secretary of Commerce and Trade and the Secretary of Homeland Security and Veterans Affairs recommends the elimination of VNDIA. This would be a cost savings to the Commonwealth of nearly \$800,000 per biennium.</p> <p><i>The Commission makes the following recommendation:</i> The Commission recommends eliminating the Virginia National Defense Industrial Authority and tasking the Secretary of Veterans Affairs and Homeland Security to review functions and administratively continue what functions are essential to government, or further promote the mission of the Secretary.</p>
12.	Board Elimination: Eliminate the Board for Towing and Recovery Operations
	<p>The Board for Towing and Recovery Operations is a supervisory Board and functions can be absorbed into the Virginia State Police (VSP) and Department of Motor Vehicles (DMV).</p> <p><i>The Commission makes the following recommendation:</i> The Commission recommends eliminating the Board for Towing and Recovery Operations (BTRO). The Commission recommends DMV, State Police and stakeholder input to create final draft. The final draft will address regulations, enforcement, background checks, state and local lists of authorized towers and licensing of trucks and drivers.</p>

Natural Resources

	Issue and Recommendation
1.	<i>Align Programs: Utilize Public Safety Resources in Virginia’s Dam Safety Program</i>
	<p>The condition of Virginia’s dams is an important public safety issue. In trying to determine the best way to protect the public from risk of dam failure, the group considered moving the dam safety program to the Virginia Department of Emergency Management under the Secretary of Public Safety. However, it was determined that this alignment would face more challenges than benefits given the agency’s current responsibilities. In the end, the group determined that the Department of Conservation and Recreation is the best fit for the program, but recommends requiring consultation and coordination with Public Safety (through VDEM) be included in the development of plans for ensuring the safety of Virginia’s dams.</p> <p><i>The Commission makes the following recommendation:</i> The Commission recommends legislation to require the Department of Conservation and Recreation to involve the Virginia Department of Emergency Management in the planning processes for dam safety.</p>
2.	<i>Align Programs: Elevate Environmental Education program by moving it from the Department of Environmental Quality to the Department of Conservation and Recreation.</i>
	<p>The Department of Conservation and Recreation interfaces with the general public on a regular basis. The operation of state parks, natural heritage, and planning and recreational resources provides a variety of opportunities to communicate and work with citizen groups, families and children as part of its mission. Aligning the state’s environmental program within the Department of Conservation and Recreation will benefit the public and the program, rather than leaving it with a primarily regulatory agency.</p> <p><i>The Commission makes the following recommendation:</i> The Commission recommends moving the Environmental Education program from the Department of Environmental Quality to the Department of Conservation and Recreation to enhance its effectiveness and align it with other complimentary programs.</p>
3.	<i>Improve One Stop Shopping: Consolidate Water Quality Permitting from Department of Conservation and Recreation with those at the Department of Environmental Quality.</i>
	<p>Consolidating water quality permitting into a single agency will streamline and strengthen the process for obtaining these permits in Virginia. There are currently two agencies under the Secretary of Natural Resources that manage water quality issues, so customers may have to work with multiple agencies on a single project. Two separate agencies are involved in the management of the state’s Chesapeake Bay Watershed Implementation Plan resulting in duplication of efforts and other inefficiencies.</p>

	<p>A consolidation of these programs into a single agency would strengthen the state’s ability to manage the issue of water quality and provide a single state agency for stakeholders and businesses to go to for environmental permitting.</p> <p><i>The Commission makes the following recommendation:</i> The Commission recommends moving all water quality programs from the Department of Conservation and Recreation to the Department of Environmental Quality by first moving MS4 individual and general permits with 2012 legislation. The legislation should include direction to move the remainder of water quality programs the following year, pending an administrative review and submission of a plan to the legislative committees.</p>
4.	<p><i>Consolidate Agencies: Workgroup Discussion of Merger of the Department of Game and Inland Fisheries and the Department of Conservation and Recreation</i></p>
	<p>The Department of Game and Inland Fisheries and Department of Conservation and Recreation both have similar missions, programs and jurisdictions that if combined would create efficiencies, one stop shopping, and savings to the taxpayers of Virginia. Both agencies have statewide jurisdiction. The two agencies are among the largest landholding agencies in Virginia – DGIF is number one. Both agencies are responsible for land management with state parks, the natural heritage program, wildlife management areas and others. Both agencies work to make the outdoors and our natural resources available to the general public for their recreational enjoyment. Both agencies have law enforcement divisions. The combination of these agencies and their resources would empower a more global management of the state’s assets to maximize the benefit to the public, including the protection and promotion of hunting and fishing in Virginia. This merger compliments the overall restructuring of agencies to align regulatory functions outside of DCR and refocus its mission on conservation, recreation and wildlife.</p> <p>A merger of these two agencies would leave the Board of Game and Inland Fisheries in place to continue handling all hunting and fishing regulations. The non-general fund dollars that currently fund the agency would continue to be directed to the same programs (no co-mingling), perhaps with even greater focus since much of the administrative burden would no longer be the sole responsibility of this new division.</p> <p><i>The Commission makes the following recommendation:</i> The Commission recommends convening a work group to evaluate over the next year the possible consolidation of Natural Resources agencies, including the law enforcement agencies and DGIF and DCR offices of endangered species.</p>

5.	<p><i>Improve One Stop Shopping: Workgroup Discussion of Consolidation of Virginia’s Multiple Endangered Species Offices into a Single Agency</i></p>
	<p>There are currently three state agencies involved in the identification, mapping and advising on issues of endangered species in Virginia. When someone wishes to obtain a permit to disturb land, they must first work with these agencies to determine if their project will impact any endangered species. The Department of Game and Inland Fisheries is responsible for creating a list of federal and state endangered wildlife species as well as maintaining records on their whereabouts and when they would be impacted. The Department of Agriculture and Consumer Services is responsible for creating a list of federal and state endangered plant and insect species, in consultation with the Department of Conservation and Recreation. Then, once the list is developed, the Department of Conservation and Recreation is responsible for studying and maintaining data on where these endangered species are located and when they might be impacted. This multiple agency approach to endangered species makes it difficult for those wishing to obtain a permit, including other state agencies such as VDOT and adds time and costs to projects. Consolidating these functions into a single office would result in efficiencies for the office, other agencies and the private sector.</p> <p><i>The Commission makes the following recommendation:</i> The Commission recommends convening a work group to evaluate over the next year the possible consolidation of Natural Resources agencies, including the law enforcement agencies and DGIF and DCR offices of endangered species.</p>
6.	<p><i>Consolidate Agencies: Develop a plan for consolidating Natural Resources law enforcement agencies</i></p>
	<p>There are currently three separate law enforcement agencies in the natural resources area. They are Park Rangers (DCR), Conservation Officers (DGIF) and Marine Police (VMRC). There may be great opportunities for efficiencies by bringing these law enforcement agencies together, particularly with the consolidation of DGIF and DCR. An analysis of consolidating Virginia’s law enforcement agencies should include consideration of the role of other non-natural resources law enforcement agencies.</p> <p><i>The Commission makes the following recommendation:</i> The Commission recommends convening a work group to evaluate over the next year the possible consolidation of Natural Resources agencies, including the law enforcement agencies and DGIF and DCR offices of endangered species.</p>
7.	<p><i>Consolidate Agencies: Merge Chippokes Plantation Farm Foundation into the Department of Conservation and Recreation</i></p>
	<p>The Chippokes Plantation Farm Foundation is a state agency operating within Chippokes Plantation State Park which is managed by the Department of Conservation and Recreation Division of State Parks. Consolidating this small agency and its farm and forestry museum into Chippokes Plantation State Park and managing it as part of the Department of Conservation and Recreation Division of State Parks would encourage savings and create efficiencies. DCR’s state parks system is recognized nationally as one of the nation’s best managed and most successful systems.</p>

	<p><i>The Commission makes the following recommendation:</i> The Commission recommends merging the Chippokes Plantation Farm Foundation into the Department of Conservation and Recreation Division of State Parks instead of operating it as a stand-alone agency.</p>
8.	<p><i>Board Reform: Replace the Virginia Council on Indians with an improved mechanism to facilitate relations between the Commonwealth and her Indian tribes</i></p>
	<p>The Virginia Council on Indians has faced a number of challenges in recent years that have left the council inoperable. With the recent addition of new tribes, the Council is not able to obtain a quorum for meetings. As a result, they are unable to conduct business. A number of tribes have approached the Administration suggesting that the Council be disbanded and replaced with an improved mechanism to facilitate relations with the Commonwealth.</p> <p><i>The Commission makes the following recommendation:</i> The Commission recommends eliminating the Virginia Council on Indians and developing an alternative mechanism for official tribal relations in the Commonwealth.</p>
9.	<p><i>Board Reform: Consider changing the way members of the Board of Game and Inland Fisheries are appointed to a method other than by congressional district</i></p>
	<p>The Board is currently made up of one gubernatorial appointed representative from each congressional district. This structure ensures equal population representation and to a large degree is equally representative of hunting and fishing licenses. However, this method of representation might not ensure regional representation as district lines are drawn and redrawn.</p> <p><i>The Commission makes the following recommendation:</i> The Commission recommends directing the Board of Game and Inland Fisheries to examine the issue of board representation, along with possible alternatives and make a recommendation on how the Board should be appointed by the governor.</p>

Finance

Item	Recommendation
1.	<i>Further Consolidation of Tax Collection</i>
	<p>The Commission recommended a number of consolidations of tax collection in 2010. Consolidation of tax collection within the Tax Department or at an agency with expertise will improve efficiency in the collection process and take advantage of existing staff and infrastructure.</p> <p><i>The Commission makes the following recommendation:</i> In furtherance of that goal, there remain a number of taxes where consolidation would provide for efficiencies. These include:</p> <ul style="list-style-type: none"> • <u>Wireless E-911 surcharge</u>: transfer the distribution of the portion of the revenues dedicated to localities for PSAPs to the Tax Department; Distribute all revenues based on a formula developed by the Tax Department; and continue to study moving the board functions to the Tax Department or other state agencies • <u>Local Motor Vehicle Fuel Sales Tax</u>: transferring the Motor Vehicle Fuel Sales Tax to the Department of Motor Vehicles (DMV)
2.	<i>Consolidation of Investments by the Commonwealth</i>
	<p>At any given time, agencies and divisions of the Commonwealth has billions of dollars invested for short-term and long-term purposes in programs such as the Local Government Investment Pool, the Virginia Lottery, the Virginia College Savings Plan, and the Virginia Retirement System. Responsibility for management of these investments spans a number of divisions of state government. While the Commission believes that there may be opportunities for consolidation that could realize efficiencies and savings, it is not prepared to make a recommendation on consolidation at this time. There are some areas, though, where increased oversight and accountability will help protect the Commonwealth's assets.</p> <p><i>The Commission makes the following recommendation:</i> Just as the Joint Legislative Audit and Review Commission (JLARC) is required to oversee the VRS system, the Commission recommends that JLARC also oversee the Virginia College Savings Plan.</p> <p>Second, the Commission recommends that the Administration more closely review opportunities for consolidation of investment management functions.</p>

3.	<i>Improved Budget Transparency</i>
	<p>Budget transparency is an essential tool in helping keep government accountable to its citizens. Among groups that rank the states on transparency, Virginia gets mediocre scores. Virginia makes available much information but does not do so at central point of access. Government has an obligation to protect the public dollar and provide information that is up to date, accessible and easily understood.</p> <p><i>The Commission recommends establishing a plan of action that achieves the following items:</i></p> <p><u>Short-term goal:</u></p> <ul style="list-style-type: none"> • Creation of a web page that links from the Commonwealth’s current efforts such as Datapoint, the Budget website and others to one central, landing page. • The website will help citizens to understand the budget development, appropriations and process for monitoring the Commonwealth’s “checkbook.” • This can be achieved with no cost and in a relatively short time period. <p><u>Long-term goal:</u></p> <ul style="list-style-type: none"> • Development of a new, Commonwealth-wide website featuring a user-friendly interface, integrated access to budget and spending information and a searchable function.
4.	<i>Ensure Solvency of the Virginia Retirement System</i>
	<p>According to JLARC, the Virginia Retirement System (VRS) has \$17.6 billion in unfunded liabilities, and would need an impossible 44% return on investment just to maintain the status quo. The General Assembly took positive steps in 2011 to boost the solvency of the system, but more actions are needed in order to ensure that VRS remains financially strong and able to provide retirement for today’s state employees. The Commission endorses a number of options, all of which should be on the table in a discussion about possible reforms of VRS.</p> <p><i>The group makes the following recommendation:</i></p> <p>The Governor and the General Assembly should take serious steps to address the liabilities of the state retirement system. Taking action now is essential to addressing this issue so that the financial health of the Commonwealth and the retirement plans of the Commonwealth’s employees are not jeopardized. Further delay or incremental action will only exacerbate the problem and the consequences. Possible options for inclusion in a legislative plan include:</p> <ul style="list-style-type: none"> • Increase Employer and Employee Contributions • Incorporate new Optional or mandatory defined contribution or hybrid plan • Adjust retirement multiplier to more closely mirror the private sector • Increase Vesting, Age or Years of Service, including making relevant adjustments for certain categories of employees • Adjustments to the benefit structure

Other

Item	Recommendation
1.	<p data-bbox="298 396 1403 464"><i>Consolidation of the Department of Correctional Education into the Department of Corrections and the Department of Juvenile Justice</i></p> <p data-bbox="298 474 1430 722">The Department of Correctional Education, formally known as the Rehabilitative School Authority, serves two very distinct functions. The first is to provide adult and vocational education to inmates who are under the supervision of the Department of Corrections (DOC). The second is to serve as the local educational division equivalent for the youth who are detained at facilities run by the Department of Juvenile Justice (DJJ). Because of the very distinct nature of these two responsibilities—providing adult education and providing juvenile education—there is little overlap between the two programs.</p> <p data-bbox="298 764 1393 1012">Merging the adult education functions of DCE into the structural organization of the DOC and the juvenile education functions as a part of DJJ will increase program efficiencies and provides cost savings. Rather than a stand-alone agency with its own management and other infrastructure needs, these two important functions could be divisions under DOC and DJJ. Additionally, this arrangement would allow for better collaboration and integration of educational programs with the other programs and services provided by DOC and DJJ.</p> <p data-bbox="298 1054 1419 1163"><i>The Commission makes the following recommendation:</i> The adult education functions of DCE should be merged into the structural organization of the DOC, and the juvenile education functions should be merged into DJJ.</p>
2.	<p data-bbox="298 1178 867 1213"><i>Addressing Federal Mandates on the States</i></p> <p data-bbox="298 1234 1419 1409">Federal mandates on the states have grown to an unmanageable level. In addition to posing a threat to state sovereignty, the financial burdens placed on the states as a result of the mandates has grown increasingly burdensome on state governments. A continuation of the status quo produces an unacceptable level of risk for state governments.</p> <p data-bbox="298 1451 1419 1703">While there have been reform attempts by Congress in recent years, the 1997 Unfunded Mandates Reform Act (UMRA) and the 2010 review of the effectiveness of that act, the problems posed for states have by no means been resolved. The UMRA states in its preamble that the act seeks “to end the imposition of Federal mandates on States and local governments without adequate funding.” That has not happened, and the federal government continues to impose mandates that have cumulatively cost states over \$130 billion throughout the past 5 years.</p> <p data-bbox="298 1745 1425 1848"><i>The Commission makes the following recommendation:</i> The Governor should request that the National Governors Association support reform of the Unfunded Mandates Reform Act of 1997.</p>

Such reform should:

1. Seek to prohibit federal mandates unless fully funded;
2. Require that mandates when enacted be premised on a clear description of the outcome to be achieved;
3. That the funding be in the form of a block grant to each state with a prohibition on the funds being used for any other purpose than the outcome described;
4. That the individual states be free to determine the processes and procedures by which the outcome will be achieved;
5. That all mandates be subject to the provisions of this act; and
6. That future diminished federal funding will diminish the coverage of the mandate policy.

