

**REPORT OF THE**

**JOINT LEGISLATIVE AUDIT AND  
REVIEW COMMISSION ON**

**An Assessment of Structural  
Targets in the  
Executive Branch of Virginia**

**TO THE GOVERNOR AND  
THE GENERAL ASSEMBLY OF VIRGINIA**



**House Document No. 20**

**COMMONWEALTH OF VIRGINIA  
RICHMOND  
1984**

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## PREFACE

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House Joint Resolution 33 of the 1982 General Assembly directed the Joint Legislative Audit and Review Commission to "study the organization of the executive branch for the purpose of determining the most efficient and effective structure". While the resolution itself primarily expressed concern regarding the number and independent status of executive agencies, debates and discussions surrounding passage of the resolution indicated that there was also significant legislative interest in the secretarial structure and the role of boards and commissions in the Commonwealth.

An interim report outlining areas of inquiry, research approach, and preliminary findings was issued in December of 1982. A resolution, House Joint Resolution 6, was passed during the 1983 Session of the General Assembly which extended the study through 1983.

This report on the structural targets in Virginia is the first in a series of four final reports on executive branch structure issued under HJR 33 and HJR 6. The companion volumes in this series are entitled An Assessment of the Secretarial System in the Commonwealth of Virginia, An Assessment of the Role of Boards and Commissions in the Executive Branch of Virginia, and Organization of the Executive Branch in Virginia: A Summary Report. The summary report presents a comprehensive summary and analysis of the three parts and highlights each principal finding and recommendation.

Following a staff report to the Commission on November 4, 1983, the reports were authorized for printing and referred to a subcommittee for further consideration.

On behalf of the commission staff, I wish to acknowledge the cooperation and assistance of the Governor's secretaries and the directors and staff of the State agencies who provided information for this report.



Ray D. Pethtel  
Director

December 21, 1983





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## REPORT SUMMARY

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Since the mid-1920's, State officials have sought ways to improve the efficiency and effectiveness of the executive branch by making changes in the structure of agencies, programs, and activities. Although many important changes have been made, the trend toward growth of agencies and their dependencies has continued. Today the executive branch is composed of 407 entities, including 85 independent agencies, 79 dependent agencies, 222 collegial bodies, 11 political subdivisions, and the offices of seven secretaries and three elected officials.

Within the overall organizational structure, executive agencies are grouped within six functional areas. The functional areas are composed of agencies with similar or related missions, and each area is overseen by a secretary with budgetary and coordinative responsibilities who reports to the Governor.

While the overall organizational structure is basically sound, JLARC's systematic review of the activities of executive agencies identified the potential for constructive change. The range of problems identified involves statewide concerns as well as those concentrated in individual agencies and functional areas. In some cases immediate action appears to be warranted; other cases may require further assessment.

### JLARC Review

This review was called for by House Joint Resolution 33 passed by the 1982 General Assembly. The resolution directed JLARC "to study the organization of the executive branch for the purpose of determining the most efficient and effective structure," and expressed concern regarding the number and independent status of executive agencies. It is the latest expression of the legislature's continuing interest in improving the efficiency and effectiveness of State government by reducing its size and consolidating related activities.

The efficiency and effectiveness of executive branch organization, however, involves more than the composition of agencies and their activities. The complexity of the structure and its manageability are affected by the roles and responsibilities of high-level executive officers and the 222 boards and commissions, which have a range of advisory, policy-making, and supervisory powers related to State agencies. Companion volumes to this study address those issues. They are entitled *An Assessment of the Secretarial System in the Commonwealth of Virginia* and *An Assessment of the Role of Boards and Commissions in the Executive Branch of Virginia*.

## Methodology

A functional analysis -- an intensive review of available data regarding agency activities and structures -- was the primary method used to assess the organizational structure of the executive branch. Computerized data on the 189 program and 1238 subprogram activities of State agencies, as well as data from other sources, were systematically analyzed to identify potential structural problems. A list of 127 agency-specific structural concerns involving duplication, fragmentation, and inappropriate alignment, as well as a number of cross-cutting concerns, were identified in the initial analysis.

Extensive verification research was then conducted for each structural concern. The verification research, consisting of structured interviews with State agency staffs and a review of additional data from numerous sources, led to the identification of 6 structure-wide or cross-cutting concerns and 33 agency-specific structural "targets."

## Cross-Cutting Concerns

Despite continuing concern over the years, the size and complexity of the executive branch have not been appreciably constrained. Agencies have been created or extended as service delivery needs have been perceived. The consequence has been overall growth in the number of State agencies, and a proliferation of small agencies and organizational additions such as branch or regional offices to existing agencies.

Agencies have also been named in a confusing and inconsistent manner. Further, PROBUD -- a computerized budgeting system designed to aid in structural analysis -- requires refinement. Finally, agencies have been created by executive order, even though the Legislature has been vested with this responsibility by the Constitution of Virginia .

Staff Recommendation 1. The General Assembly and the Governor should take steps to modify the organizational structure of small agencies by ~~consolidating~~ consolidating those with missions similar to other agencies and providing administrative assistance to others which should remain separate.

Staff Recommendation 2. The General Assembly should (a) direct the Department of Planning and Budget to devise a uniform system of sub-State boundaries and (b) require agencies to conform it. However, procedures should be established to grant a minimum number of exceptions to agencies whose districts require unique boundaries.

Staff Recommendation 3. The Governor should propose to the General Assembly enabling legislation for the Advocacy Office for the Developmentally Disabled, Governor's Employment and Training Division, and any other executive agency created without specific legislative action.

Staff Recommendation 4. The General Assembly should adopt a standard nomenclature system to name State agencies and entities.

Staff Recommendation 5. The General Assembly should (a) direct the Department of Planning and Budget to continue refining the PROBUD system so that differences in programs and subprograms more accurately reflected, and (b) require agencies to use codes in a consistent manner.

### Structural Targets

A total of 33 structural targets involving duplication, fragmentation, or misalignment of activities were identified by JLARC within the functional areas of State government. These terms were defined as:

- Duplication -- where two or more agencies conduct identical activities at the agency, program, or activity level.
- Fragmentation -- where two or more agencies carry out different activities leading to the accomplishment of the same goal.
- Inconsistent Alignment of Agencies and Activities -- where the goal of one activity or agency is different from others in the same group.

Some targets cut across secretarial areas, because several agencies deal with different aspects of a particular problem or process. In other instances, several agencies carry out activities which are inherent to their responsibilities, but which might more efficiently be centralized. Additionally, some agencies or activities appear to be misplaced among secretarial areas or agencies.

Although targets were identified throughout the executive branch, they were concentrated in the Human Resources and the Commerce and Resources areas. A number of targets involved the Departments of Health, Visually Handicapped, Agriculture and Consumer Services, and Conservation and Economic Development.

Staff Recommendation 6. Initiate legislative/executive action on the structural targets outlined in this report.

Each of the targets identified in this report has been placed on one of two lists. The first contains targets for which a recommendation for action is being made. The second list contains targets which may warrant further study.

## I. Areas Where Action Should Be Taken

- I-1 The responsibility for collecting delinquent debts owed by individuals to State agencies should be centralized under the Attorney General or the Department of Taxation.
- I-2 The Department of Taxation's revenue estimating activities and the Commonwealth Data Base should be transferred to the Department of Planning and Budget. (An independent revenue forecasting capacity could be established in the legislative branch to maintain a system of checks and balances.)
- I-3 The Division of Motor Vehicles' revenue forecasting unit should also be transferred to the Department of Planning and Budget.
- I-4 The evaluation section of the Department of Planning and Budget and the management consulting division of the Department of Management Analysis and Systems Development should be co-located in a new Department of Analytical and Administrative Services.
- I-5 The following three activities of the Department of Health should be transferred to the Department of Agriculture and Consumer Services:
- Milk and Milk Product Inspection
  - Inspection of Seafood Processing Plants
  - Bedding and Upholstered Furniture Regulation.
- I-6 Worksite inspection responsibilities currently divided between the Department of Labor and Industry and the Department of Health should be transferred to the Department of Labor and Industry.
- I-7 The Department of Health Regulatory Boards and Department of Commerce should be brought together to form a new Department of Commerce and Health Regulatory Boards.
- I-8 The entities which manage and/or preserve historic sites and attractions (Virginia Historic Landmarks Commission, Virginia Outdoors Foundation, Division of Parks and Recreation of the Department of Conservation and Economic Development, Jamestown-Yorktown Foundation, Gunston Hall, James Monroe Museum and Library, and the Virginia War Memorial Commission) should be administratively merged. These entities should be brought together in a proposed Department of Parks and Historic Preservation. If this agency is not established, the entities which manage sites should be merged under the Division of Parks and Recreation in the Department of Conservation and Economic Development. The Virginia

Historic Landmarks Commission and the attached Virginia Outdoors Foundation should be placed in a separate division of the Department.

- I-9 The Division of Tourism, Division of Industrial Development, the State Office of Minority Business Enterprise, and the Industrial Training Division of the Virginia Community College System should be merged to create a new Department of Economic Development. The port promotion activities of the Virginia Port Authority could also be considered for inclusion.
- I-10 The Virginia Marine Products Commission should be merged with the Department of Agriculture and Consumer Services. If the State decides to continue specific product promotion as part of its mission, the Department should also assume the functions of the individual product commissions.
- I-11 The State Water Control Board, Air Pollution Control Board, Division of Mined Land Reclamation of the Department of Conservation and Economic Development, Council on the Environment, and the State Department of Health's regulation of wastewater treatment facilities, Bureau of Toxic Substances Information, and Bureaus of Solid and Hazardous Waste should be merged into a new Department of Environmental Regulation.
- I-12 The Soil and Water Conservation Commission should be merged with the Department of Conservation and Economic Development. If a new Department of Conservation is created, the Soil and Water Conservation Commission and the conservation activities of the Department of Conservation and Economic Development could be brought together under this department.
- I-13 The Virginia Marine Resources Commission and the Commission of Game and Inland Fisheries should be brought together to create a new Department of Game and Inland and Marine Fisheries.
- I-14 The Department for the Visually Handicapped should be moved as a separate program division into the Department of Rehabilitative Services. (Further study of individual functions should also be undertaken as recommended in II-3).
- I-15 The Division of Volunteerism should be realigned under the Secretary of Administration and Finance, and provisions should be made to provide administrative support to the division. (This recommendation would be adopted if volunteerism is viewed as an administrative or central service agency. If viewed as a human resources agency, it would be co-located under the Department of Advocacy Agencies recommended in I-20).

- I-16 A non-structural solution to the problem of duplication between the Division for Volunteerism and the Center for Volunteer Development of Virginia Polytechnic Institute and State University has been proposed in a separate JLARC report (Sen. Doc. 6, The Virginia Division of Volunteerism, December 1983). That report recommended either (1) requiring a more specific memorandum of understanding to clearly specify the responsibilities of each agency and/or (2) restricting activities of the Center to those consistent with the University's extension mission and limiting the Center's funding to non-State sources. Therefore, a structural solution is not being proposed in this report.
- I-17 The Department for the Aging should be moved as a separate program division into the Department of Social Services.
- I-18 The Governor's Employment and Training Division should be transferred to the Commerce and Resources secretariat from the Human Resources secretariat.
- I-19 The regulation of health-related public facilities carried out by the Departments of Social Services, Mental Health and Mental Retardation and Education should be merged under the Department of Health.
- I-20 The four small advocacy agencies under the Secretary of Human Resources (Commission on the Status of Women, Division for Children, Advocacy Office for the Developmentally Disabled and the Council for the Deaf) should be co-located together to form a new Department of Advocacy Agencies. If the Commission on Indians should become a staffed agency, it would also be included here. (If a decision is made to retain the Division of Volunteerism as a human resources agency, it would be established here.)
- I-21 The Central Garage should be transferred from the Department of Highways and Transportation to the Department of General Services and efforts continued to designate it as a working capital fund. (Legislative action is currently pending on designation as a working capital fund.)
- I-22 The Department of Aviation should take over the administration, operation and maintenance of the aircraft hangared in Richmond and owned by the Department of Highways and Transportation, the Commission of Game and Inland Fisheries and the Governor's Office.
- I-23 Responsibility for the registration of shippers of radioactive materials and responding to emergencies involving radioactive materials should be transferred from the State Department of Health to the State Office of Emergency and Energy Services.

- I-24 The emergency services functions of the State Office of Emergency and Energy Services (OEES) should be transferred from the Transportation secretariat to the Public Safety secretariat. The Energy Division of OEES should be transferred to the Commerce and Resources secretariat. If the proposed Department of Conservation is not established, the division should be merged with the Department of Conservation and Economic Development.
- I-25 The Department of Military Affairs should be transferred from the Transportation secretariat to the Public Safety secretariat.

## II. Areas Where Further Study May Be Required

- II-1 The transfer of the Department of State Police computer operations to the Department of Computer Services should be assessed further.
- II-2 The feasibility of combining the two political subdivisions with student financial assistance orientations (the State Education Assistance Authority and the Virginia Education Loan Authority) with the grant and scholarship programs of the State Council of Higher Education and State Department of Health should be studied.
- II-3 A merger of the Title XX, auxiliary grant, and library functions of the Department for the Visually Handicapped with the Department of Social Services and Virginia State Library, respectively, should be assessed further.
- II-4 The status of the Rehabilitative School Authority as an independent agency should be considered during the forthcoming JLARC study on the Rehabilitative School Authority and the Department of Corrections.

## Net Effects

Adoption of the various recommendations in this report would result in important changes in the structure of the executive branch. For example, the integrity of secretarial areas would be strengthened by realigning those agencies that do not share common missions with other agencies in their areas. The total number of independent executive agencies would be reduced from 85 to 72 and would include the following new or renamed agencies:

- Department of Analytical and Administrative Services
- Department of Advocacy Agencies
- Department of Parks and Historic Preservation

- Department of Conservation
- Department of Environmental Regulation
- Department of Economic Development
- Department of Game and Inland and Marine Fisheries
- Department of Commerce and Health Regulatory Boards

And, depending upon the final proposals decided upon to implement each recommendation, cost differences from \$1,474,474 to \$1,653,239 or higher in staffing costs alone could be realized.



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## I. THE STRUCTURE OF STATE GOVERNMENT IN VIRGINIA: AN OVERVIEW

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Increases in the demand for governmental services over the years have been paralleled by growth in the number of executive branch agencies and activities. Continued growth has also brought periodic attempts at reorganization intended to maximize the effectiveness and efficiency of service delivery. A common concern of these efforts has been that multiple and uncoordinated agencies have the potential for making government less responsive and for unnecessarily increasing costs through duplicated or fragmented services.

Differences in proposed structural alternatives and the various reconfigurations that some agencies have undergone indicate that reorganization is not a panacea, nor is there one ideal organizational structure. The circumstances and goals of a particular time often define what is appropriate. Currently, a close look at the State's organizational structure appears to be warranted, because of diminishing revenues and changes in State-federal relationships that will require increased initiative and capacity at the State level.

This study takes into account the advantages and disadvantages of existing arrangements, the findings and concerns of previous studies that have addressed all or part of the State structure, and the clear legislative goals contained in the Reorganization Act of 1977. The study's unique contribution for the Legislature is that it is built on a systematic analysis of all the activities of executive agencies in order to identify the potential for constructive change and to serve as a legislative agenda. The range of problems identified involves state-wide concerns as well as those concentrated in individual agencies or functional areas of government. In some cases immediate action may be warranted; other cases may require further impact analysis.

The efficiency and effectiveness of the executive branch's organization, however, involves more than the composition of agencies and their activities. The complexity of the structure and its manageability are affected by the roles and responsibilities of high-level executive officers and the 222 boards and commissions, each of which has a range of advisory, policy-making, and supervisory powers related to State agencies. Companion volumes to this study address those issues. They are entitled An Assessment of the Secretarial System in the Commonwealth of Virginia, An Assessment of the Roles of Boards and Commissions in the Commonwealth of Virginia, and Organization of the Executive Branch in Virginia: A Summary Report.

## HISTORICAL TRENDS

Since the mid-1920s, State officials have been looking for ways to improve the efficiency and effectiveness of the executive branch by making changes in the structure of agencies, programs, and activities. Although many important changes have been made, the trend toward continued growth in agencies and their dependencies has continued. In recent years, clear legislative parameters have been established to guide further efforts at reducing the size and enhancing the manageability of State government.

### History of Structural Changes in Virginia

In addition to limited, one-time changes and on-going appraisals carried out by executive agencies, several special commissions have been established in Virginia to develop proposals for comprehensive reorganization. Most of these studies have addressed similar concerns and have made numerous recommendations to address commonly perceived problems of fragmentation, duplication, and lack of coordination.

For example, in 1924, a special study commission found that:

...State administration is, as a rule, merely a collection of offices, boards, and agencies created at irregular intervals, in a haphazard fashion, and without reference to the groupings of related work in one department. Naturally, these conditions result in lack of coordination of work, lack of harmonious legislative policy, ineffective supervision and administrative control, expensive duplication of work, and diffused governmental responsibility. (*Commission on Simplification and Economy of State and Local Government*, 1924)

Similar concerns were raised in 1947:

The absence of a program for the development of a logical organizational structure has resulted in the present existence of some 70 departments and agencies which are practically autonomous... Many independent agencies perform functions related to those of other agencies. Many agencies have facilities duplicating those of other agencies. The result is that personnel cannot be utilized most efficiently and effectively under existing conditions. (*Commission on Reorganization of State Government*, 1947)

In the mid-1970s, the same characteristics prevailed:

Today there are over 100 agencies, boards, and commissions.... These agencies administer over 700 programs - many with common goals, objectives, and purposes. This has led to piecemeal results and inefficient utilization of the State's resources. Fragmentation of functions among so many administrative organizations has made it difficult to fix accountability and responsibility for results. (*Commission on State Governmental Management*, 1975)

Major recommendations made by these study groups reflect these concerns. Some recommendations were adopted and others were not. Clearly, there is no one perfect way to organize government; nor is there necessarily consensus on what arrangements are most efficient and effective.

*Reorganization in 1927.* The first formal and comprehensive study of State government organization in the 20th century occurred in 1927. The study was conducted by a consulting group from New York. The consultants were faced with an organizational structure composed of 95 largely independent administrative agencies. The major recommendation of the study was a consolidation of all agencies into eleven large agencies. The Governor subsequently endorsed the consultant's recommendations. At a special session of the General Assembly in 1927, a reorganization act was passed which put into law virtually all of the recommendations.

More than 30 offices and boards were abolished. Their functions were grouped into the Governor's Office and twelve executive departments correlated with major government functions. These departments were:

- taxation
- finance
- highways
- education
- corporations
- industrial relations
- agriculture
- conservation
- health
- welfare
- law
- unemployment compensation

Subsequent studies refer to this structure as the basic framework of Virginia's executive branch.

*The 1947 Burch Commission.* The intent of the 1927 reorganization was that all new government functions and programs would be brought under the direction of the twelve major agencies. This did not occur. Instead, during the 1930s and 1940s, new entities were given independent agency status.

In 1947, a legislative commission recommended reorganizing all functions into 17 large agencies. New major agencies proposed included alcoholic beverage control, military affairs, and professional

and occupational regulation. Two new agencies were created by consolidating independent yet related functions: a department of conservation and natural resources, and a department of welfare and institutions.

*Governor's Management Study of 1970.* An executive order initiated the Governor's Management Study in 1970. Financed and carried out by a group of business leaders, the study focused on two types of recommendations: (1) those requiring reorganization of functions, and (2) those requiring improvement of operations. The study recommended consolidating all human services into one agency. Another key recommendation was to merge the School for the Deaf, School for the Blind and the Commission for the Visually Handicapped with the Department of Vocational Rehabilitation. These proposed actions did not occur. The proposal to separate corrections from welfare was implemented, however, thereby reversing the action taken in 1947 to merge the two departments.

The Commission did, however, have a major impact on the structure of State government. As proposed, high-level executive positions were created to oversee functional areas comprised of agencies with similar missions.

*Commission on State Governmental Management.* The Commission was created by the General Assembly in 1973. It released several interim reports over the next few years and a final report in 1978.

The Commission's purpose was to "bring about greater efficiency in State government by the reduction of [the number of] agencies...the elimination of duplication and overlap, the establishment of clearer lines of authority, and undivided responsibilities for particular functions of government." The focus of the Commission's review was on finding ways to increase accountability at all levels of the executive branch.

The Commission recommended a number of organizational changes. Major structural recommendations that did occur included:

- creation of the Department of Planning and Budget
- creation of the Department of Housing and Community Development
- creation of the Department of General Services
- transfer of aviation responsibilities from the State Corporation Commission to the executive branch
- reassignment of management analysis and computer services responsibilities to two new departments.

Many structural recommendations were not adopted, including the creation of two new departments for economic security and recreation and historic preservation, and the abolishment of the Council on the Environment.

### Continuing Legislative and Executive Intent

The six functional areas, each headed by a Governor's secretary, were created to strengthen management control over the executive branch regardless of agency-level reorganization. This was done because proposals to reduce the size of the structure and to improve management through wholesale reorganization were never wholly adopted. Nevertheless, it was recognized that the Governor and secretaries would need to continually look for opportunities for improving structural efficiency.

*Legislative Intent.* While the *Constitution of Virginia* reserves to the Legislature the authority for designating the structure and functions of State government, the Reorganization Act of 1977 authorized the Governor to propose reorganizations for consideration by the General Assembly. The Act was passed in order to promote "more effective management of the executive branch and of its agencies and functions," to "reduce expenditures and promote economy" and to "increase the efficiency of the operations of State government."

Major aspects of reorganization to be considered include:

- grouping, coordinating, and consolidating agencies and functions of State government according to major purposes;
- reducing the number of agencies by consolidating those having similar functions, and abolishing such functions or agencies which may not be necessary; and
- eliminating overlap and duplication of effort.

In addition, language in the 1980-82 and 1982-84 Appropriations Acts has required the Governor "to prepare and administer a plan for the elimination of duplication and undue competition among and between the agencies and institutions of State government."

*Executive Initiative.* The Governor is currently carrying out a "critical reevaluation" of the functions of State government. While the primary focus of the reevaluation is to examine the services State government provides to determine if they still meet the essential needs of Virginia's citizens, it is anticipated that some activities may be eliminated and some organizational structures reorganized.

## Growth in the Executive Branch

Future reorganization efforts will need to deal with the growth in the executive branch that has occurred during the last 30 years. To assess growth in the executive branch over time, JLARC used figures developed by the Department of Planning and Budget (DPB). Because DPB used a somewhat different method for defining agencies, the total number of agencies differs from that in JLARC-generated tables. Nevertheless, the trend is clear. The size of the executive branch has increased as the General Assembly has approved creation of new independent agencies and additional dependencies for existing agencies.

From 1950 to 1980 the number of executive branch agencies increased from 84 to 190. Table 1 shows the number of agencies in each functional area at the beginning of each decade and the net change that occurred during the decade. Included in the count are both independent administrative agencies, which are established in statute to function independently, and dependent administrative agencies, which function under the jurisdiction of an independent administrative agency.

As shown in Table 1, little change in growth or organization occurred during the 1950s. During the 1960s, however, 44 new agencies were created. Nineteen of these agencies were in the education area, primarily units of the community college system. The Commerce and Resources area added nine agencies, most of which were product commissions such as the pork and sweet potato commissions.

Significant growth occurred during the decade from 1970 to 1980. The total number of agencies increased by 55. The greatest increases occurred in the areas of Education with 15, Human Resources with 15, and Public Safety with 14. Some agencies were created as a result of two major government reorganizations during the decade. Others were results of federal programs initiated during the period. The addition of seven new mental health institutions and seven correctional facilities accounted for a share of the growth.

Between 1980 and July 1982, no agencies were added to functional areas. Three areas had reductions for a net reduction of four agencies. It is too soon, however, to determine any pattern for the 1980s.

## JLARC APPROACH

This study was authorized by HJR 33 enacted by the 1982 General Assembly and continued by HJR 6 in 1983. It is the latest expression of the Legislature's continuing interest in improving the efficiency and effectiveness of government by reducing its size and consolidating related activities. This report on the structure of the



Table 1

## COMPARISONS OF THE SIZE OF THE EXECUTIVE BRANCH OVER TIME

	1950s		1960s		1970s		1980s	
	<u># Agencies</u>	<u>Change</u>	<u># Agencies</u>	<u>Change</u>	<u># Agencies</u>	<u>Change</u>	<u># Agencies</u>	<u>*Change</u>
Administration and Finance	7	+4	11	+4	15	+3	18	-1
Commerce and Resources	24	0	24	+9	33	+7	40	0
Education	15	+1	16	+19	35	+15	51	0
Human Resources	15	+3	18	+3	21	+15	36	0
Public Safety	15	0	15	+6	21	+14	35	-2
Transportation	3	+2	5	+3	8	+1	9	-1
Statewide Elected Officers	5	0	5	0	5	0	5	0
TOTAL	84	+10	94	+44	138	+55	194	-4

NOTE: The number of agencies column for each decade represents the agencies that existed at the beginning. The change column represents net changes (creations and abolitions that occurred during the decade).

In areas such as Higher Education, Corrections, and Mental Health and Mental Retardation, each institution is counted as a separate agency. Technically these institutions are dependent and fall under parent agencies.

\*Through July 1982.

Source: Department of Planning and Budget.

executive branch of Virginia is part of a series of studies that also address the structure, roles, and responsibilities of the Governor's secretaries and of boards and commissions.

### Study Objectives

The purpose of this study is to inventory and examine the full range of activities carried out within the existing executive branch structure and to accomplish two major objectives. The two objectives reflect the concerns in HJR 33:

- (1) to review the organizational structure in order to identify areas of duplication, fragmentation, or inappropriate alignment; and
- (2) to present options for restructuring the executive branch to reduce its overall size, improve coordination of related services, and achieve economies, to the extent possible.

### Guiding Principles

Drawn from the Executive Reorganization Act, related statutes and resolutions, and legislative discussion, a number of guiding principles were considered throughout the structural analysis. These include:

- To the extent possible, agencies with similar missions should be located in the same functional area to ensure that:
  - Agencies with similar or related orientations are represented by the appropriate secretary.
  - Budget requests are considered in relation to similar agencies.
  - Resource allocations are made in the context of similar agencies.
  - Policies for functional areas reflect all agencies with related or similar orientations.
- The functions of government should be carried out by the fewest agencies possible.
  - Related activities should be consolidated into new or existing agencies with compatible missions.

- Duplicative activities and programs should be consolidated or eliminated.
- New or existing agencies should be manageable in size.

### Structural Inventory

JLARC developed an inventory of all organizational entities through reviews of the *Code of Virginia*, the budget, and other official State documents. Four hundred and seven distinct structural entities were identified. Most are grouped within six secretarial areas for budgetary and coordinative purposes. Each area is overseen by a secretary who reports to the Governor. Also included in the total are eleven entities which come under the direct supervision of the Governor.

*Organizational Entities.* An organization chart (Figure 1) has been developed by JLARC for analytical purposes. Unlike the official State organization chart, it shows only the 85 agencies which have been classified as "independent agencies" for purposes of this study. They are traditionally the subject of structural reorganization. These agencies are established in the *Code of Virginia* to administer programs and activities. A small number have also been established by executive order.

State government, however, is more complex than the figure indicates. It also includes 79 dependent agencies, 222 collegial bodies, and 11 political subdivisions. Dependent administrative agencies have been created to function with, for, or under the jurisdiction of an independent agency. They include correctional facilities and community colleges. Collegial bodies, with a range of supervisory, policy-making, and advisory responsibilities, are associated with most State agencies. Political subdivisions which act independently have been established to provide financing for such purposes as low income housing loans. (See Figure 1 and Table 2 for further definition of these entities and their distribution among functional areas.)

*Agency Activities.* Virginia's government agencies conduct hundreds of activities. For purposes of identifying activities paid for by appropriated funds, the Department of Planning and Budget has developed 1,238 activity categories or subprograms for use by agencies in the budget process. These activities are classified into 189 broader program categories. It is possible to get a comprehensive view of agency activities by examining program and subprogram listings for each agency. For example, the Department of General Services lists five programs in the 1982-84 executive budget: physical plant acquisition, maintenance, and rental; investment, trust, and insurance services; procurement services; printing and reproduction; and warehousing and distribution services. However, the department conducts 22 activities or subprograms.

Figure 1

# Organization of the Executive Branch

10

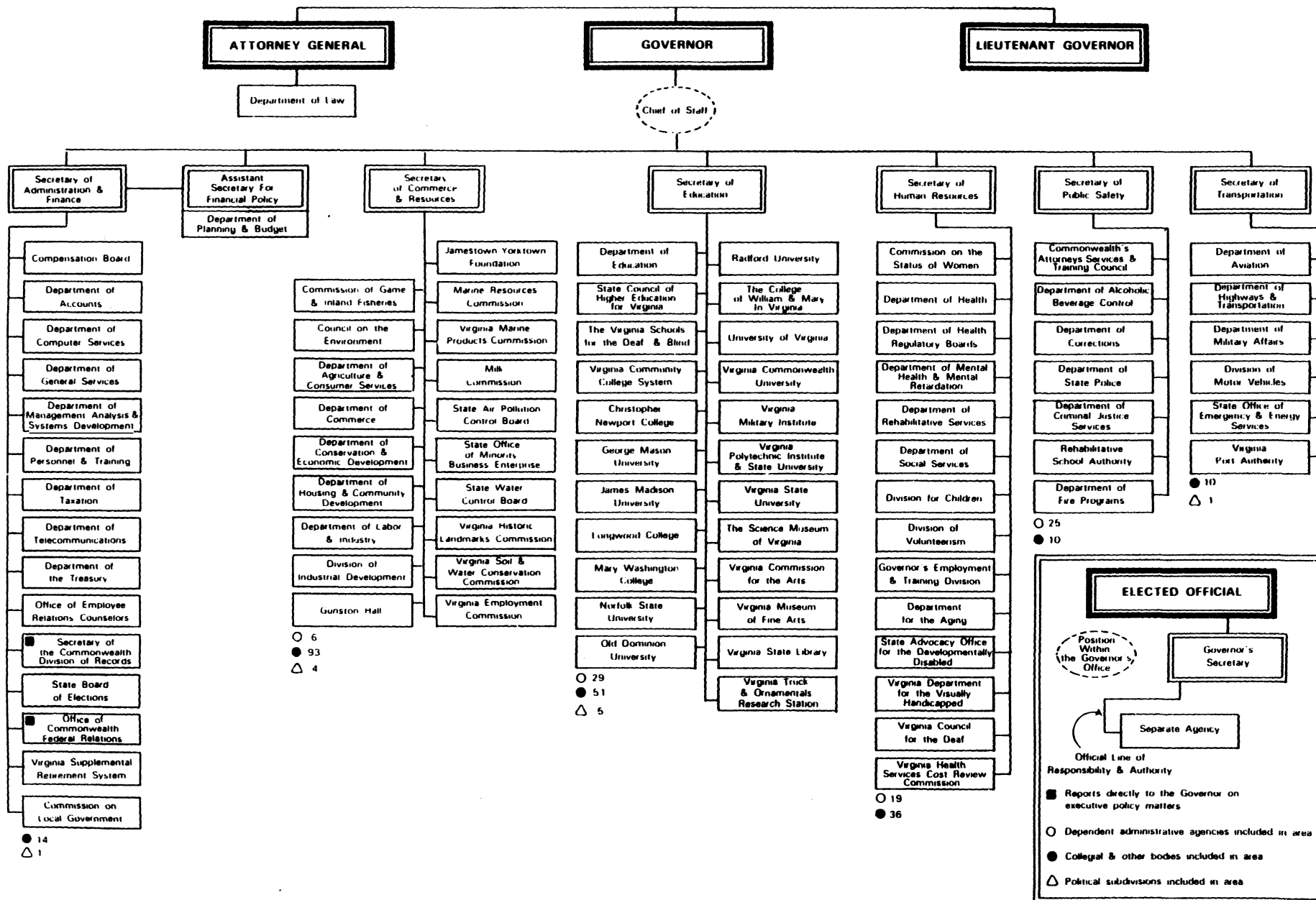


Table 2

TYPES OF ENTITIES IN THE EXECUTIVE BRANCH

<u>Type</u>	<u>Research Definition</u>	<u>Number</u>	<u>Examples</u>
Offices of Elected Officials	The three popularly elected officials.	3	Governor Lieutenant Governor Attorney General
Offices of Secretaries	Six Secretaries and an Assistant Secretary for Financial Policy appointed by the Governor.	7	Secretary of Human Resources Secretary of Public Safety
Independent Administrative Agencies	Usually set out independently in statute, receives a separate appropriation, and employs staff.	85	Division of Motor Vehicles Department of Taxation Virginia Marine Products Commission
Dependent Administrative Agencies	Usually established in statute as dependent on an independent agency. Often employs own staff and may receive a separate appropriation.	79	All community colleges All correctional institutions Woodrow Wilson Rehabilitation Center
Collegial and Other Bodies	Usually affiliated with an agency. Usually members do not draw a salary, and affiliated agency employs staff. Usually does not receive a separate appropriation.	222	All boards of visitors of higher education institutions State Board of Social Services Pesticide Advisory Committee
Political Subdivisions	Established in statute specifically as a political subdivision.	11	Virginia Education Loan Authority Virginia Agricultural Development Authority
Total		407	

Source: JLARC Inventory of Executive Branch Entities.

## Functional Analysis

A primary method used in this study was a functional analysis of the programs and subprogram activities of executive agencies. The functional analysis involved several steps to identify and then verify apparent instances of duplication, fragmentation, and inappropriate alignment of agencies and activities. Structural problems were defined according to the following characteristics:

- Duplication: where two or more agencies conduct identical activities at the agency, program, or subprogram level.
- Fragmentation: where two or more agencies carry out different activities leading to the accomplishment of the same goal.
- Inconsistent Alignment of Agencies and Activities: where the goal of one activity or agency is different from others in the same agency or functional area.

An initial list of 127 potential targets for additional structural analysis was compiled using PROBUD, the state's computerized program budget system, which identifies agencies, programs and subprograms. Also reviewed were legislative and executive documents including task force and special commission reports.

Each potential target on the initial list was researched further to verify that actual activities were consistent with the coded data and to identify the extent of duplication, fragmentation, or inappropriate alignments. Consequently, 94 targets were eliminated from the list. The remaining 33 targets appear in the matrices and discussions in this report.

Verification research included structured interviews with the appropriate secretaries and with agency personnel. Additional data were gathered from relevant statutes, budget exhibits, Personnel Management Information System (PMIS) reports, other states, the federal government, and the executive budget.

## Functions of Report

This report serves several functions. It overviews historical and current concerns and developments, addresses factors that contribute to the size and complexity of State government, and identifies structural problems within each functional area. These can be addressed through a range of options. The report can, in some instances, be used to make immediate changes. In other instances, further case-by-case analysis may be needed to assess other than structural impacts of various options on cost, service delivery, and administrative practices. The report can also serve as a baseline for further legislative review.

## STRUCTURE-WIDE CONCERNS

Despite persistent concerns and the development of review mechanisms, the size and complexity of the State structure have not been appreciably constrained. Agencies have been created or extended as service delivery needs have been perceived. The consequence has been proliferation of small agencies and of organizational additions to existing agencies, such as branch or regional offices. Each type of proliferation has associated programmatic and administrative costs.

### Overall Size of Structure

The management problems associated with the overall number of agencies have been noted in other studies and are addressed in a companion volume to this report. The secretarial system itself was created to gain management control over a burgeoning number of agencies. Generally it can be said that multiple agencies increase the workload of executive managers and lead to more conflict resolution at higher levels of government. Moreover, the legislature generally has discretion to create or not create separate agencies, and there are potential benefits to be realized from reduction in the number of existing agencies.

*Effect on Workload.* Obviously, multiple agencies require additional effort in compiling budgets, resolving conflicts, and ensuring faithful execution of the laws. Even dependent agencies that operate under the jurisdiction of a parent agency may present management or policy issues for the Governor or one of his secretaries to address. For example, the public expected high level intervention in a recent situation involving allegations of patient abuse and violation of employee rights at a State mental institution operating under the purview of the Department of Mental Health and Mental Retardation.

*State's Discretion.* Most agencies, even those receiving federal funds, are generally created at the State's discretion. The State may decide to create a new agency or add a new or expanded program to an existing agency. The federal government often mandates that certain activities be carried out at the State level (such as regulation of hazardous wastes and the provision of certain social services). It is usually not necessary, however, to create a "separate and single" agency. Structural conditions in federal mandates reviewed by JLARC include the following general provisions that:

- give the State the option of establishing an agency or designating an existing agency to carry out particular programs.
- require that one State agency, rather than several, administer or supervise certain programs.

- designate a particular type of agency to administer a program -- for example, the maternal and child health program must be administered by the health agency of the State.
- require that various programs be administered by one agency.
- require the establishment of an advisory council.

Often alternative configurations are acceptable within federal requirements as shown in the following example.

*Federal statutes state that the agency carrying out the State's "Annual Rehabilitation Plan" must be primarily concerned with rehabilitation or vocational education. Alternative configurations are also acceptable. If the responsibility is vested with another agency, the agency must be one which has at least two organizational units, each of which administers one or more of the major public education, public welfare, public health, or labor programs of the State. A separate organizational unit must then be established within the agency for vocational rehabilitation alone.*

*Potential Benefits of Reduced Size.* The implementation of structural changes to reduce the number of agencies in the executive branch could positively affect the executive branch in several ways. For example, cost savings might be realized by consolidating functions and agencies identified as being similar or related. Such changes could reduce the need for administrative and support staff, thereby reducing personnel costs. The range of administrative costs for existing agencies in the Commerce and Resources area is shown in Table 3. Although agencies are not consistent in reporting these costs, indications are that they can and do represent a significant portion of agency budgets.

In other cases savings may be difficult to document, but the reduced number of agencies would focus executive direction more sharply. Fewer autonomous agencies could result in improved management and communication within the executive branch, and all components of a program could be located within one administrative agency. Specifically, it would be possible to achieve a comprehensive view of program planning, budgeting, expenditures, reporting, and oversight through one agency director rather than several.

In some cases, consolidation of similar programs may simplify citizen access to services. Most of these changes would involve consolidating social service activities or educational functions so that a user could visit one agency or one administrative office and find the full range of related services.



Table 3

**COMPARISON OF ADMINISTRATIVE COSTS OF AGENCIES  
IN THE COMMERCE AND RESOURCES SECRETARIAL AREA**

<u>Agency</u>	<u>Number Employees</u>	<u>Admin. Expenses</u>	<u>Total Agency Expenditure</u>	<u>Proportion of Admin. to Total Agency Expend.</u>	<u>Administrative Expenditures Per Employee</u>
Virginia Marine Products Commission	2	*	\$ 410,000	*	*
Council on the Environment	11	\$ 50,666	693,684	7.3%	\$ 4,606
Gunston Hall	12	168,443	803,085	21.0%	14,037
State Office of Minority Business Enterprise	13	330,525	827,010	40.0%	25,425
State Milk Commission	14	1,106,900	1,106,900	100.0%	79,064
Soil and Water Conservation Commission	21	380,605	3,889,410	9.8%	18,124
Virginia Historic Land- marks Commission**	35	400,415	4,203,355	9.5%	1,440
Jamestown-Yorktown Foundation	50	314,160***	1,647,998	19.4%	6,283
Division of Industrial Development	60	758,184	5,472,079	13.8%	12,636
Department of Commerce	97	2,535,513	7,723,600	32.8%	26,139
Department of Housing & Community Development	98.5	1,305,615	7,160,795	18.2%	13,255
Air Pollution Control Board	116	2,494,660	7,026,900	35.5%	21,506
Marine Resources Commission	136	1,256,100	9,440,870	13.3%	9,236
Department of Labor & Industry	199	1,118,991	11,925,900	9.4%	5,623
Commission of Game and Inland Fisheries	310	1,469,545	30,089,300	4.9%	4,740
State Water Control Board**	319	5,550,000	23,470,550	23.6%	17,398
Department of Agriculture and Consumer Services	688	6,900,960	43,097,309	16.0%	10,030
Department of Conservation & Economic Development	764	7,135,698	83,001,385	8.6%	9,340
Virginia Employment Commission****	1,343	6,566,380	482,034,000	1.4%	4,889

\*Administrative and program expenses not provided.

\*\*All administrative expenses are counted under the administration division; no administrative expenses are broken out under the program divisions.

\*\*\*Includes one-time non-operating charges of \$184,500 for such items as building renovation, transfer payments, and pass-through monies for a special study.

\*\*\*\*"Proportion of administrative to total agency costs" figure is probably too low because VEC indicates no administrative expenses for the unemployment insurance program (\$430.7 million).

Source: JLARC presentation of information provided by the Secretary of Commerce and Resources.

A smaller number of agencies should also result in greater ease of managing and coordinating as well as comparing similar activities. When activities are merged under a smaller number of administrative umbrellas, it becomes easier to critically evaluate programs as they relate to one another. Comparisons of this type are especially essential in periods of reduced revenues when painful decisions must be made regarding the allocation of funds. This focus is necessary to ensure that Virginia's government remains responsive in the face of declining revenues.

### Proliferation of Small Agencies

Agencies that are small and generally focused on a single purpose or client group face unique management problems and may add unnecessarily to the overall number of governmental entities. Numerous studies of the executive branch have recommended merging smaller agencies into larger ones to reduce the number of State agencies, achieve cost savings, and enhance coordination of similar activities.

*Focus of Agencies.* Twenty-one independent agencies each currently have fewer than 20 employees (Table 4). These agencies represent 25 percent of the total number of independent agencies. They frequently have narrowly focused purposes. For example, most of the small human resource agencies were created to give visibility to specific client groups. They serve coordinative, advocacy, and research functions. A number of other small dependent agencies and collegial bodies exist but are not listed in the table. They are involved, for example, in the promotion of a product or a historic attraction.

*Management Problems.* Small agencies may be disproportionately burdened by administrative detail which diverts the time of program-oriented staff. They may also lack the supportive services available to larger agencies because of budgetary or staff constraints. Small agencies must respond to many of the same administrative requirements as larger agencies, such as budget, payroll, personnel, and accounting. These activities may detract unnecessarily from the pursuit of mandated responsibilities.

For example, the Division of Volunteerism, recently under review by JLARC in another study, clearly sees disadvantages in its status as a separate agency.

*Division of Volunteerism officials have indicated that as a result of becoming an independent agency in 1979, increased administrative responsibilities have hampered service delivery. Prior to becoming a separate agency, the Division was located within another State agency. Division officials indicate that this arrangement was preferable because the parent agency relieved the*

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Table 4

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SMALL AGENCIES\* IN EACH SECRETARIAL AREA

<u>Secretarial Area</u>	<u>Number of Small Agencies</u>	<u>Agencies Involved</u>
Administration & Finance	6	Office of Commonwealth - Federal Relations, Office of Employee Relations Counselors, Secretary of the Commonwealth, Board of Elections, Compensation Board, Commission on Local Government.
Human Resources	6	Division for Children, Division of Volunteerism, Advocacy Office for the Developmentally Disabled, Council for the Deaf, Virginia Health Services Cost Review Commission, Commission on the Status of Women.
Commerce and Resources	5	Council on the Environment, Office of Minority Business Enterprise, Milk Commission, Marine Products Commission, Gunston Hall.
Education	2	State Education Assistance Authority**, Commission for the Arts.
Public Safety	2	Commonwealth's Attorneys' Services and Training Council, Department of Fire Programs.
Transportation	<u>0</u>	--
TOTAL	21	

\*Independent agency with fewer than 20 employees.

\*\*Political subdivision that has received a State appropriation in the past.

Source: 1982-84 Executive Budget.

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*Volunteerism staff of most administrative matters, allowing them to concentrate on training and assisting volunteers.*

*The Division's director, who is the principal service provider, indicates that he now spends 30 to 40 percent of his time on routine administrative matters. Because of this, Division officials feel that the agency's current organizational status should be reconsidered.*

In contrast, Division for Children staff believe that separate agency status is essential to their effectiveness in advocating for children with other State agencies and officials. Nevertheless, the Division also devotes considerable resources to administrative matters. The Division has also explained that it has difficulty in carrying out responsibilities for maintenance of a central registry of out-of-home placements and information dissemination, due in part to lack of computer and word processing capacity. Complaints have also been raised about the availability of adequate clerical assistance.

The desire for visibility is understandable in advocacy or promotional agencies. While merger with another agency supportive of its aims may not be harmful, other models are already in use in Virginia. For example, occupational and professional boards retain independent statutory authority for rulemaking and adjudicatory functions but receive analytical, administrative, and investigatory support from the Department of Commerce or the Department of Health Regulatory Boards, respectively.

Although there are 21 small independent administrative agencies within the executive branch, such an action as blanket merger of these agencies should not be undertaken, as some carry out unique functions and therefore may warrant an independent status.

Eight of these agencies, however, were identified through the functional analysis as possible candidates for structural change because of the similarity of their activities to other agencies. These agencies are identified in Table 5, and each of the eight is further explained in the next chapter.

*Options for Change.* A number of options are available to the General Assembly to increase the operating efficiency and effectiveness of small agencies and possibly reduce the overall size of government.

In instances where the General Assembly wishes to maintain the structural status quo, it could assign the administrative responsibilities of small agencies to larger agencies. Under this option, each small agency would remain independent and thus retain its visibility. Responsibility for providing administrative support would be assigned to a larger agency with a related mission, allowing each small agency to concentrate on its program responsibilities.

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Table 5

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POSSIBLE SMALL AGENCY\* STRUCTURAL CHANGES

<u>Agency</u>	<u>Possible Placement</u>
Council on the Environment	(Proposed) Department of Environmental Regulation
Gunston Hall	(Proposed) Department of Parks and Historic Preservation or Department of Conservation and Economic Development
Virginia Marine Products Commission	Department of Agriculture and Consumer Services
Office of Minority Business Enterprise	(Proposed) Department of Economic Development
Division for Children	(Proposed) Department of Advocacy Agencies
Council for the Deaf	(Proposed) Department of Advocacy Agencies
Commission on the Status of Women	(Proposed) Department of Advocacy Agencies
Advocacy Office for the Developmentally Disabled	(Proposed) Department of Advocacy Agencies

\*Agency with fewer than 20 employees.

Source: JLARC Functional Analysis.

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If the General Assembly wished to make a structural change yet maintain the visibility of small agencies and follow the example already set with the occupational and professional regulatory boards, it could create one or more umbrella agencies to provide administrative support to small agencies. Consideration could be given to establishing such an agency in the Human Resources, Commerce and Resources, or Administration and Finance secretarial areas. An umbrella agency under Human Resources or Commerce and Resources would support only those agencies in that area, whereas an umbrella agency in Administration and Finance could support all small agencies.

If, however, one of the General Assembly's primary considerations is a reduction in the overall size of State government, small agencies could be brought into larger agencies with related missions, resulting in the creation of a new division or other unit within the larger agency.

### Organizational Proliferation

In order to make services available across the State or to supervise decentralized operations, agencies frequently establish regional offices or branches. Because agencies may independently determine regional boundaries and locate facilities, opportunities to maximize coordination and effect cost savings may be lost. Moreover, the absence of explicit criteria for establishing the need for additional organizational entities and the limited application of existing coordinative mechanisms may permit unnecessarily costly proliferation.

*Extent of Regionalization.* About 40 agencies currently maintain some type of field facilities in addition to their Richmond headquarters (Table 6). There are over 700 agency office complexes outside of the city of Richmond in 212 cities and towns. Twenty cities and towns have ten or more office complexes within their boundaries; over 50 have only one State office. The State owns 8,300 buildings which are valued at \$370 million. It holds 1,500 leases for offices and other facilities, for which it spends \$24 million annually.

The location of field offices depends on how agencies draw their sub-state boundaries and on the program orientations of the department. Regions of different agencies do not often coincide geographically and they vary in number. There are at least 77 different configurations for agencies' regional boundaries. Typically, agencies have five to eight regions.

*Coordinative Mechanisms.* Agencies were directed by a 1972 executive order to make their boundaries conform to lines established by planning district commissions wherever possible. The Code now specifies that agencies which propose to adopt or realign boundaries of planning, administrative, and operational districts must submit the proposed boundaries for review and comment to the Department of Planning and Budget (DPB). However, most agencies established their districts over a decade ago, so DPB has had little to review.

The Governor's Management Study recommended in 1970 that a uniform system of dividing the State into regions be devised. The Commission said that the lack of consistent regional boundaries among agencies causes "unnecessary complexities in carrying out the functions of State government.... When it is desirable to develop cross-agency cooperation within regions, it becomes unnecessarily difficult to identify those who need to cooperate...."

Table 6

STATE AGENCIES WITH FIELD FACILITIES\*

<u>Agency</u>	<u>Primary Field Functions</u>
1. Department of General Services	Laboratory Services
2. Department of Taxation	Administration, Enforcement
3. Virginia Employment Commission	Services to Public, Administration
4. Air Pollution Control Board	Monitoring, Enforcement
5. Department of Conservation and Economic Development	Resource Management, Services to Public, Inspection, Enforcement, Recreation
6. Department of Labor and Industry	Inspection, Enforcement
7. Department of Agriculture and Consumer Services	Services to Public, Inspection
8. State Soil and Water Conservation Commission	Administration, Consultative Services
9. State Water Control Board	Monitoring, Enforcement
10. Department of Commerce	Enforcement
11. Department of Housing and Community Development - State Fire Marshal	Inspection, Consultative Services
12. Commission of Game and Inland Fisheries	Resource Management, Enforcement
13. Office of Minority Business Enterprise	Administration
14. Virginia Historic Landmarks Commission	Research
15. Division of Industrial Development	Consultative Services
16. Virginia Tech Extension Division	Services to Public
17. University of Virginia - Continuing Education	Education Services
18. Department of Education	Administration
19. Virginia Tech - Instructional Division	Education Services
20. Virginia State Library	Consultative Services
21. Department of Rehabilitative Services	Services to Clients, Disability Determination, Administration
22. Department of Health	Services to Public, Administration
23. Department of Social Services	Administration
24. Department for the Visually Handicapped	Services to Clients
25. Department of Mental Health and Mental Retardation	Institutional Services
26. Department of Alcoholic Beverage Control	Inspection, Enforcement, Sales
27. Department of Corrections	Services to Clients, Administration
28. Rehabilitative School Authority	Institutional Services
29. Department of State Police	Law Enforcement
30. Department of Fire Programs	Training, Consultative Services
31. Division of Motor Vehicles	Services to Public
32. Department of Highways and Transportation	Maintenance, Storage

(Continued)

\*Table does not include agencies which have headquarters outside of the Richmond area and no other offices.

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Table 6

(Continued)

<u>Agency</u>	<u>Primary Field Functions</u>
33. Department of Military Affairs	Defense, Emergency Services
34. Office of Emergency and Energy Services	Liaison, Administration
35. Division of War Veterans' Claims	Services to Clients
36. Public Defender Commission	Services to Clients
37. Industrial Commission	Claims Determination
38. Department of Telecommunications	Communications Services
39. Attorney General	Legal Services

Source: Compiled by JLARC from the State Controlled Administrative Telephone System Directory and agency interviews.

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This point appears to be valid today. Numerous problems in arranging the discharge of patients from State mental institutions, for example, could be alleviated if there were not so much fragmentation among institutional service areas and the service areas of community mental health providers and health and social service departments.

The Department of General Services currently has responsibility for studying the economic benefits of consolidating office locations, setting space standards, and reviewing leases. A recent JLARC study of the potential for consolidating office space in Roanoke found that considerable cost savings could occur from consolidation under certain circumstances. The study recommended that General Services take a more active role in monitoring the termination of leases and assisting agencies to co-locate in order to achieve economies and improve citizen access to State services.

The General Assembly should direct the Department of Planning and Budget to devise a system of uniform sub-State boundaries for executive agencies' planning, administrative, and operational districts. Agencies should be directed by statute to conform to the system. Exceptions would only be granted to agencies which require unique sub-State configurations.

#### Creation of Agencies By Executive Order

Under Article V of the *Constitution of Virginia*, the authority to prescribe the functions and structure of the agencies in the executive and legislative branches is reserved to the General Assembly. In all but two instances, the agencies which exist today in the executive branch were created by action of the General Assembly. These two agencies were created by executive order.



*Authority to Organize the Executive Branch.* The Constitution reserves the power to organize the executive branch to the legislature. Article III states that:

*The legislative, executive, and judicial departments shall be separate and distinct so that none exercise the powers properly belonging to the others, nor any person exercise the power of more than one of them at the same time; provided, however, ...administrative agencies may be created by the General Assembly with such powers and duties as the General Assembly may prescribe.*

The only mention of gubernatorial duties related to organization or reorganization comes under the Executive Reorganization Act, which was adopted in statute in 1977. This Act gives the Governor the authority to formulate reorganization plans, which then must be submitted to the General Assembly for approval. The Act does not give the Governor the authority to create agencies.

*Agencies Created by Executive Order.* Two entities which function as administrative agencies, the Governor's Employment and Training Division and the State Advocacy Office for the Developmentally Disabled, were created by the Governor through executive orders.

Executive Order 31, issued in 1983, creates the Governor's Job Training Coordinating Council (a collegial body) and designates the Governor's Employment and Training Division (GETD) as the Council's staff. The GETD carries out several administrative functions related to the implementation of the new Job Training Partnership Act (JTPA).

The State Advocacy Office for the Developmentally Disabled was created by Executive Order 47 in 1981. It assists developmentally disabled clients with problems that are not being solved by the State agencies involved. By federal law, the Office must be independent of all the human resource agencies which provide direct services to developmentally disabled persons.

*Attorney General's Opinions.* Regarding the use of executive orders in establishing the authority of a federally-mandated body, the Attorney General stated the following opinion in January 1978:

No provision of the Constitution of Virginia explicitly authorizes the Governor to issue executive orders... Historically, though, the Governors of the Commonwealth have issued executive orders in the absence of a specific statute expressly conferring the authority or a statute generally conferring such authority... there is a general reservoir of power granted by the Constitution to the Governor as the Chief Executive....

However, the Attorney General went on to say the following:

- A Governor can not legislate by executive order where an Act of Assembly is required, and
- A State agency or State official can not gain authority from a federal law.

Thus, even though the Governor is designated by the two federal acts as the State official to operationalize the programs, federal law does not override the State constitutional requirement which states that the General Assembly is responsible for creating agencies.

The Governor should propose to the General Assembly enabling legislation for the Advocacy Office for the Developmentally Disabled, the Governor's Employment and Training Division, and any other executive agency created without legislative approval.

#### Administrative Needs

Problems with size and proliferation can obviously be compounded when it is not possible to determine the status of an administrative entity by its name. The State has never adopted a consistent system of nomenclature. Moreover, the computerized program budget information system (PROBUD), which is a valuable tool for assessing the structure of government, needs additional refinement.

*Inconsistent Nomenclature.* Overall, a total of 33 different titles are applied to State entities (Table 7). In the absence of consistent guidelines, State organizational units with radically different status, authority, and activities often make use of the same title.

*The Division of Motor Vehicles is a freestanding State agency that operates independently under a commissioner. The Division of Building Regulatory Services, on the other hand, is an internal sub-unit of the Department of Housing and Community Development. Activities of the division are coordinated with those of other divisions and are overseen by the director of the Department.*

In addition, entities with completely different names often have similar levels of responsibility:

*The Division of Industrial Development, the Virginia Historic Landmarks Commission, and the Department of Criminal Justice Services are all independent agencies headed by a director, with their own budget appropriation and personnel.*

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Table 7

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RANGE OF TITLES ASSIGNED TO STATE ENTITIES

<u>Title</u>	<u>Number of Entities</u>
Board	101
Committee	56
Commission	53
Other*	37
Center	32
Department	30
Council	29
Community College	23
Academic Institution**	14
Authority	11
Office	6
Consortia	6
Division	5
Foundation	<u>4</u>
Total	407

\*Other includes library, museum, system, task force, memorial, institution, and other miscellaneous titles.

\*\*Includes colleges and universities.

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Agencies and their related boards may also share the same name. For example, the State Water Control Board, Air Pollution Control Board, and the State Council of Higher Education each represent the name of the administrative agency as well as the board which has purview over the agency. This is the case with approximately 18 agencies. This situation can obviously lead to confusion, as it is difficult to determine whether a reference to the "Air Pollution Control Board" means the administrative agency or the multi-member board.

The Commission on State Governmental Management recommended in 1978 that the State rename agencies according to a new consistent system. A bill was introduced in the 1978 session of the General Assembly which proposed that new agencies be named in accordance with a standardized system and that the names of existing agencies be gradually brought into conformity with the standards. It called the present nomenclature system "unsystematic, inconsistent, and confusing." The bill was not passed.

Nevertheless, in structured interviews with officials in nine other states, JLARC found that several of them have adopted standardized nomenclature systems. In Florida and Wisconsin, nomenclature was standardized during a major reorganization of the State government.

A proposed system for naming executive branch agencies and other entities appears in Table 8. Also included is a system for consistently naming internal divisions of agencies. Departments would be organized into divisions which would, in turn, be composed of bureaus. Bureaus might include sections and, smallest of all, units.

The General Assembly should require that this or a similar system be adopted. The system could be adopted independently or in conjunction with any organizational changes that may result from this series of studies or the Governor's critical reevaluation. While the system itself should be adopted immediately, it could be implemented at one time or phased in over several years to minimize disruption or unnecessary agency expense.

*Strengthened Probud System.* The State's computerized program budgeting system (Probud) is a very useful analytical tool that could benefit from further refinements. One of its purposes is to provide information on a "program basis to allow decisionmakers to refine the organizational basis of government by arranging and rearranging programs for the most effective structure of government." It is intended to comprehensively reflect where programs and subprograms (activities) are being carried out in order to allow decisionmakers to identify and eliminate duplication, fragmentation, and misalignment.

Program codes, however, need to be more specifically defined. For example, in 1981 six agencies used codes that indicated that they carried out land management activities. However, when JLARC contacted the agencies, the activities described by two agencies were obviously not related to land management:

- The Division of Motor Vehicles (DMV) coded their "financial assistance to localities for the disposal of abandoned vehicles" under land management.
- The Department of Highways and Transportation (DHT) coded their removal of illegal signs along roadways as land management.

The remaining four agencies' activities were all closely related to the management of land as a resource, such as the Department of Conservation and Economic Development's administration and enforcement of the program to reclaim abandoned mined lands; and the regulation of hazardous waste sites by the State Department of Health.

Agencies should also be required to use the same code for similar activities. Currently, for example, one agency may code environmental planning under planning and another may include it under its environmental regulatory activities. It is not possible, therefore, to determine the full extent or cost of planning activities in the State or of planning for particular purposes such as health, environment, or land use.

Table 8

PROPOSED SYSTEM FOR NAMING EXECUTIVE BRANCH ENTITIES

<u>Title</u>	<u>Definition</u>	<u>Example</u>	<u>Comments</u>
Department	Independent administrative agency	Department of Social Services Department of Motor Vehicles	Exceptions would include colleges, universities, museums, libraries and other independent agencies which require a unique descriptive label
-Division		Division of Health Care Programs	--
-Bureau	Sub-sections of departments	Bureau of Family Health Services	--
-Section		Crippled Children Section	--
-Unit		Hemophilia Program Unit	--
Office	Office of an elected official	Office of the Governor Office of the Attorney General	--
Board	Part-time, permanent collegial body affiliated with one agency	Board of Commerce State Highway and Transportation Board	--
Council	Part-time, permanent collegial body not affiliated with one agency	Long-Term Care Council	May be inter-departmental or not affiliated with any agencies at all
Commission	Temporary collegial body established for a specific purpose and time period	Governor's Commission on Physical Fitness and Sports Governor's Commission on Science and Technology	--
Miscellaneous	Entity with unique characteristics calling for a specific title	Academy for Staff Development J. Sargeant Reynolds Community College	Included would be Secretary, Authority, Community College, Center, Foundation, Institution, Penitentiary, Academy, Consortium, and Others.

Source: JLARC.

The General Assembly should (1) direct the Department of Planning and Budget to refine the PROBUD system so that similarities and differences in programs and subprograms of agencies are more accurately reflected; and (2) require all executive agencies to use consistent codes.

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## II. STRUCTURAL CONCERNS WITHIN AND AMONG SECRETARIAL AREAS

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Within each functional area of government, JLARC identified structural targets involving duplication, fragmentation, or misalignment of activities or agencies. These terms were defined as follows:

- *Duplication* -- When two or more agencies conduct identical activities at the agency, program, or activity level.
- *Fragmentation* -- When two or more agencies carry out different activities leading to the accomplishment of the same goal.
- *Inconsistent Alignment of Agencies and Activities* -- When the goal of one activity or agency is different from others in the same group.

### Extent of Problems

JLARC's review primarily encompassed the programs and activities of the 85 independent agencies. Problems were first identified by noting similarly coded activities in the State's computerized budgeting system and through review of numerous general reorganization and program-specific studies. The extent of duplication, fragmentation, or misalignment was then verified through agency contacts and document reviews.

A total of 33 targets involving over 57 agencies were identified. Although targets were identified throughout the executive branch, they were concentrated in the Human Resources and Commerce and Resources areas. A number of targets involved the Departments of Health, Visually Handicapped, Agriculture and Consumer Services, and Conservation and Economic Development.

Table 9 summarizes the number and types of targets identified and the location of the agencies involved. The range is extensive. Recreation and Historic Planning, for example, is counted as one structural problem, but it involves six entities, primarily within the same secretarial area.

*Five state agencies and other bodies, primarily in the Commerce and Resources area, operate one or more historic sites for public use; another agency has responsibility for preserving these and other types of sites. While the agencies have related missions, each is independently controlled and administered. Responsibility for historic*

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Table 9

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OVERVIEW OF STRUCTURAL TARGETS

<u>Type of Problem</u>	<u>Number of Structural Targets</u>	<u>Number of Involved Agencies in Each Secretarial Area</u>					
		<u>AF</u>	<u>CR</u>	<u>ED</u>	<u>HR</u>	<u>PS</u>	<u>TR</u>
Administrative and Central Support Services	2	2				1	
Research and Evaluation	3	3					1
Regulation of Products, Worksites and Occupations	5		3		2		
Recreational and Historic Planning	1		5	1			
Economic Development	2		5	1			
Resource Planning and Regulation	3		7		1		
Financial Assistance for Higher Education	1			3	1		
Library Services	1			1	2		
Financial Assistance	1				2		
Service Support	2	1		1	2		
Social Services	3				4		
Employment Services	1		1		2		
Regulation and Licensure	1			1	3		
Social Service Planning	1				9		
Education of Inmates	1					2	
Transportation	2	1	1				2
Hazardous Materials Emergencies	1				1		1
Emergency Response and Defense Activities	2		1			1	3

Source: JLARC Functional Analysis

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*sites within the Commonwealth is thus fragmented, and the organizational structure does not enhance uniform and coordinated management and promotion of the Commonwealth's valuable historic assets.*

As a further example, service support involves two structural targets that concern four entities in three secretarial areas.

*Two structural targets within service support concern State volunteerism efforts. These targets bring into question fragmentation in the promotion of volunteerism, and the alignment of the Division of Volunteerism.*

*The State's volunteerism efforts are fragmented because two agencies (the Division of Volunteerism and the Center for Volunteer Development at Virginia Tech) promote volunteerism and provide technical assistance, often to the same clientele. The statutorily created volunteerism agency is currently located under the Secretary of Human Resources. It may be aligned under Administration and Finance--since most agencies could benefit from its services--or continued in the human resources area, depending upon its service orientation.*

#### Fiscal Impacts of Recommended Changes

Throughout this report, references are made to potential efficiencies or cost savings stemming from structural changes. Specific figures are not cited, and can not be calculated until detailed reorganization proposals and plans are generated. Analysis does indicate, however, that significant cost differences could be achieved through proposed organizational structures as compared to maintaining current structures.

*Magnitude.* Analysis of selected targets indicates that there could be a cost difference of between \$1.47 million and \$1.65 million between maintaining the current organizational structure and reorganizing as proposed in this report (Table 10.) In other words, the need for fewer high-level administrators and administrative support staff within the reorganized structures would free up dollars. These dollars could be viewed as cost savings or could be redirected toward programs to maintain or increase current levels of service delivery.

The cost difference figures were calculated on the basis of staffing alone and are therefore likely to be conservative. Additional efficiencies could also result from co-location, shared equipment, increased productivity as the result of pooled resources, and other factors.

Table 10

COST DIFFERENCES FOR MAINTAINING CURRENT  
VERSUS PROPOSED ORGANIZATIONAL STRUCTURES\*

<u>Recommendation</u>	<u>Cost Difference Range</u>
Create a Department of Game and Inland and Marine Fisheries	\$ 92,605 to \$ 133,927
Create a Department of Conservation	\$ 125,469 to \$ 236,383
Create a Department of Advocacy Agencies	\$ 103,106            --
Create a Department of Economic Development	\$ 109,097 to \$ 135,626
Create a Department of Parks and Historic Preservation	\$ 75,258            --
Move Department of Health's Shellfish Sanitation Activities to Department of Agriculture and Consumer Services	\$ 25,700            --
Move the Department for the Visually Handicapped into the Department of Rehabilitative Services	\$ 273,350            --
Create a Department of Commerce and Health Regulatory Boards	\$ 215,189            --
Create a Department of Environmental Regulation	<u>\$ 454,700</u> <u>          --</u>
TOTAL	\$1,474,474 to \$1,653,239

\*Calculated only for those targets where information was available.

Source: JLARC Analysis of Organization and Staffing Data.

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JLARC systematically reviewed available staffing data to identify administrative and clerical positions that could be eliminated because of merged functions. For example, if two agencies which each had a Commissioner of Administration were being merged, one of these positions could be eliminated, as the new agency would not require two. To ensure that programs and service delivery would not be affected, no reductions in program staff were considered.

A specific example involving the proposed Department of Economic Development illustrates how cost differences could be achieved.

*Economic Development As An Example.* To maximize the State's economic development efforts, a structural recommendation presented later in this chapter is to bring the Division of Tourism in the Department of Conservation and Economic Development, the Division of Industrial Development, the State Office of Minority Business Enterprise, and the Industrial Training Division of the Virginia Community College System together to create a new Department of Economic Development. These entities could very likely come together to form a larger agency with three major program divisions: tourism, minority business, and industrial development. Industrial training could be merged into the industrial development division.

For FY 84, these separate entities were appropriated a total of \$11,015,910 and 147 positions (Table 11). For the most part, each agency employs a variety of high-level management, administrative, clerical, and program personnel. (Appendix B lists the specific positions in each agency.)

The elimination or regrading of various positions to achieve a typical organizational structure with a director, deputy director,

Table 11

AGENCY OR DIVISION DOLLAR AND STAFF APPROPRIATIONS

<u>Agency or Division</u>	<u>Dollar Appropriation</u>	<u>Funded Positions</u>
Department of Conservation and Economic Development - Division of Tourism	\$ 4,687,950	65
Division of Industrial Development	5,472,080	60
State Office of Minority Business Enterprise	585,805	13
Industrial Training Division of the Virginia Community College System	<u>270,075</u>	<u>9</u>
TOTAL	\$11,015,910	147

Sources: Appropriations Act, Executive Budget, and Program Proposals.

and division heads could result in a minimum cost difference of \$109,097, or a maximum cost difference of \$135,626. The cost difference would be the result of the following changes:

- elimination or downgrading of three supervisory positions;
- elimination of two administrative support positions, since individual operations would be merged and economies of scale will come into play;
- elimination of one confidential secretary since there would be only one director; and
- if pooled clerical resources resulted in greater efficiency, elimination of two additional clerical positions.

Potential cost savings attributable to these changes are illustrated in Table 12.

Table 12

POSITIONS FOR POTENTIAL ELIMINATION OR DOWNGRADING

	<u>Number</u>	<u>Salary or Reduction Amount*</u>
<u>Positions to be eliminated</u>		
Supervisory	2	\$ 28,100 28,100
Administrative	2	16,450 15,000
Clerical	3	15,000 15,000** 11,529**
<u>Position to be downgraded</u>		
Supervisory	1	<u>6,439</u>
Minimum Cost Difference		\$109,097
Maximum Cost Difference		\$135,626

\*Mid-range of class used as salary figure.

\*\*Optional change that would cause a maximum cost difference

Source: JLARC.

## Functional Area Discussions

The remainder of this report addresses structural concerns within each secretarial area of State government: Administration and Finance, Commerce and Resources, Human Resources, Education, Public Safety, and Transportation. The discussion for each functional area is organized as follows:

- Summary Statement - Introduces the overall mission and major activities carried out in the area.
- History and Scope - Identifies the agencies within the area; outlines principal changes in composition over time, and notes significant studies.
- Structural Targets Identified - Identifies the structural targets, presents the activities of the agencies involved, previous recommendations relating to the area, and corrective options for each structural target.
- Target Matrix - Summarizes in tabular form the nature of the target, agencies involved, expenditures, previous recommendations and current options.

Appendix C provides more information on the recommendations from the earlier studies noted in the matrices. The "Agency Index" references the structural targets by agency.

Each structural target has been screened through a number of steps to ensure that there are sufficient indications of duplication, fragmentation or misalignment and that another option appears to be feasible. Agency operations or performance have not been evaluated, however, and in some cases further impact analyses may be warranted. Nevertheless, there is potential in each item for one or more benefits, such as reduction in the overall number of State agencies, consolidation of related functions, more effective coordination, and administrative cost savings.



## ADMINISTRATION AND FINANCE

*This secretarial area focuses on activities which provide staff and logistical support to the Governor's Office and State agencies. It is also responsible for the management of State funds. To support other entities, certain administration and finance agencies provide services such as management analysis, computer programming, planning and budgeting, facility acquisition and personnel management. Other agencies in this area collect taxes and receive, account for, invest, and disburse State funds. Still others supervise local registrars and administer the State retirement system.*

### HISTORY AND SCOPE

This secretarial area is composed of 16 independent agencies and 16 other entities (Figure 2). When the secretarial system was established in 1972, both a Secretary of Administration and a Secretary of Finance were created. These positions were combined into one in 1975 to link the agencies concerned with the State's fiscal affairs and overall administration.

Many agencies in this area are unlike those in other areas because they provide support to other agencies rather than services to the public. However, some agencies have a somewhat different focus. For example, the Office of Commonwealth-Federal Relations promotes the interests of the State at the federal government level, and the Compensation Board reimburses localities for the State's share of salaries and expenses of constitutional officers.

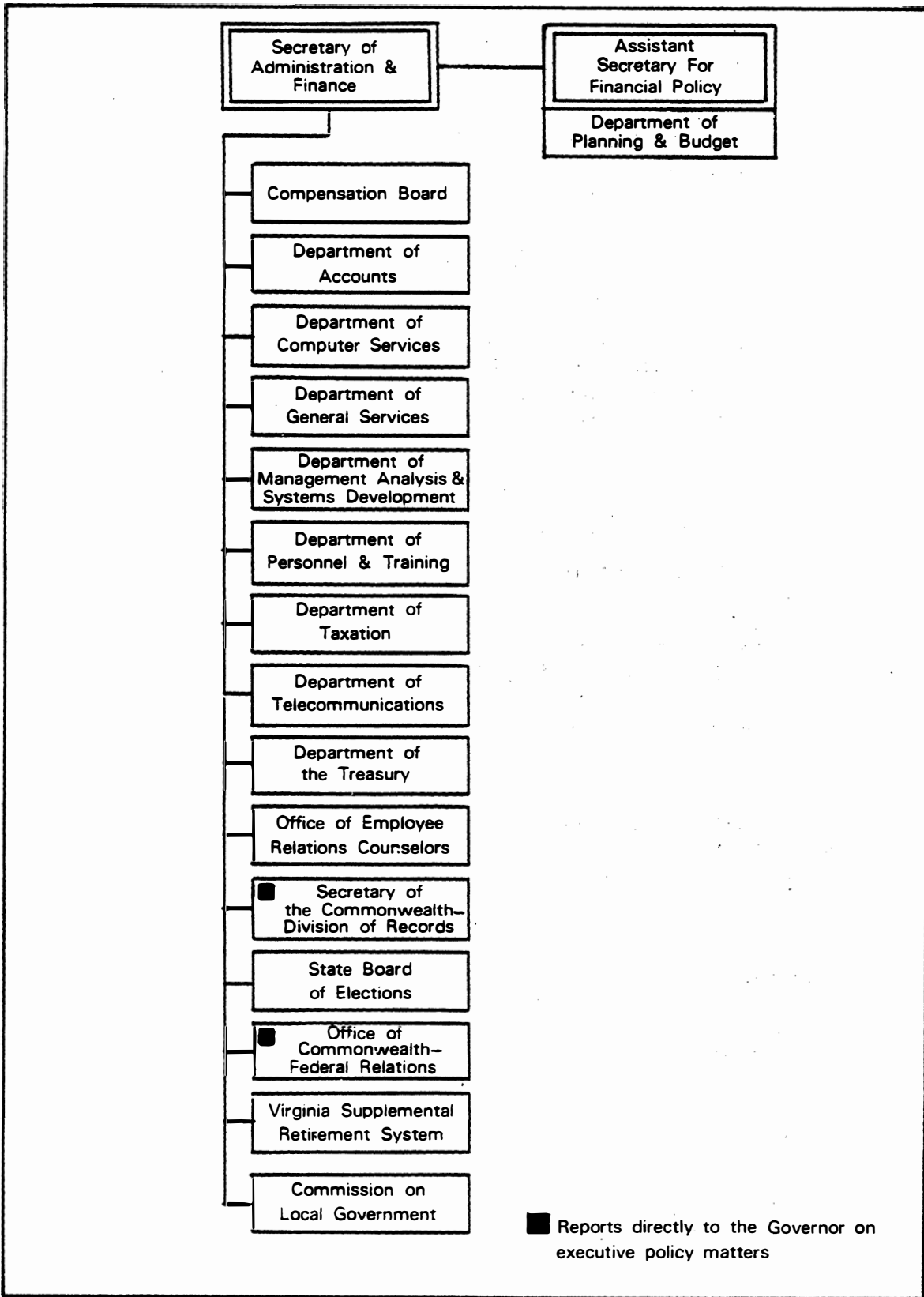
In terms of staff size, the Department of General Services and the Department of Taxation are the largest agencies in this area. The area also has six agencies which each have less than 20 staff.

Since the middle 1970s, several reorganizations and additions of agencies have occurred within this secretarial area:

- In 1976, the Division of Budget became the Department of Planning and Budget and absorbed the now-defunct Division of State Planning and Community Affairs. In 1981, it took on many duties of the Department of Intergovernmental Affairs, which was abolished.
- In 1978, the Department of General Services was created from several independent divisions which provided support services to State agencies.

Figure 2

## Administration and Finance Secretarial Area



### Area also includes:

- 14 collegial and other bodies, such as the Personnel Advisory Committee
- 1 political subdivision, the Virginia Public Building Authority

- In 1978, computer center operations were transferred from the agency which provided management consulting and systems development to the new Department of Computer Services.
- Four agencies have been added in the last five years: the Office of Commonwealth-Federal Relations, the Office of Employee Relations Counselors, the Department of Telecommunications, and the Commission on Local Government.

## STRUCTURAL TARGETS

Several structural concerns were identified in this secretarial area. They relate to administrative and central support services (operation of data processing facilities and the collection of debts) and research and evaluation activities (data collection, revenue forecasting, and program evaluation).

### Administrative and Central Support Services

Several agencies in this area perform services which support other State agencies. For example, they oversee the acquisition of State property and provide advice on buying computer software. These support agencies perform an important function in that user agencies are assured of obtaining a uniformly high quality of services or products, and it is more efficient to have a central agency provide these services than to allow each agency to purchase them independently.

If any of these services are unnecessarily duplicated or fragmented among two or more agencies, excessive costs may result because personnel, accounting and computing systems, office space, and other administrative expenses may all be duplicated. The provision of services may also be uneven.

*Computer Operations.* The Department of Computer Services (DCS) provides support services such as system engineering and security, programming, and performance analysis to State agencies. It operates four centralized computer centers in Richmond. When the Department was created in 1978, almost all agencies (except some colleges and universities) consolidated their computer operations into DCS.

The Department of State Police (DSP), however, has its own computer mainframe at its central office in Richmond and employs approximately 50 people in its data processing and systems operations. By statute, DSP is designated to establish and maintain a crime reporting system to receive, classify, and analyze crime statistics. DSP staff enters data on new and continuing cases into the Department's own computer system. Criminal justice agencies in the State, the Division of Motor Vehicles, and some federal agencies have access to these files.







# Administration and Finance

Potential Structural Problem	Agencies	Expenditure on Activity in FY 1981	Related Summary from Executive Agreement	Previous Recommendations	Area for Further Consideration
<b>ADMINISTRATIVE AND CENTRAL SUPPORT SERVICES</b>					
Duplication in maintaining and operating data processing facilities.	Department of Computer Services (DCS)	\$14,509,962	None	One report recommended studying the feasibility of the DCS taking over the operations and management of the DSP data processing facilities.	Incorporating the State Police mainframe and data base into a DCS computer center would consolidate responsibility for computing operations under the State's principal computer agency.
	Department of State Police (DSP)	\$ 1,020,423			
Fragmentation in the collection of debts owed to the State.	Department of Social Services	\$ 5,494,046			Consolidating all collection and locator services under one agency could result in more uniform collection efforts as well as greater recovery of outstanding debts.
	Department of Mental Health and Mental Retardation	\$ 1,251,882			
	Attorney General	NA			
	Department of Taxation	NA	None	None	
	Virginia Employment Commission	NA			
	Universities and Colleges	NA			
	Department of Health	NA			

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## LEGEND

NA: Involved in the activity but specific expenditure data are not available.

--: Not currently involved in the activity.

The Department, via its computer, also participates in the National Criminal Information Center's Interstate Identification Index, through which criminal records in other states can be accessed. The federal government issues regulations for participation in this exchange. These regulations may restrict the State's options regarding control of the State Police mainframe.

Thus, an agency whose primary responsibility is not for computer operations owns and operates a major data processing facility.

*Collection of Debts.* Agencies that are heavily involved in finding individuals who owe them money include universities and colleges, the Department of Taxation, State Department of Health, Virginia Employment Commission, Department of Social Services, and the Department of Mental Health and Mental Retardation. Table 13 shows, by secretarial area, the receivables due the Commonwealth for over 120 days.

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Table 13

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RECEIVABLES DUE THE COMMONWEALTH FOR OVER 120 DAYS  
(March 31, 1983)

<u>Secretarial Area</u>	<u>Accounts Receivable</u>
Human Resources	\$168,967,254
Administration and Finance	81,544,226
Education	49,109,761
Transportation	1,404,844
Public Safety	398,951
Commerce and Resources	<u>396,726</u>
TOTAL	\$301,821,762

Source: Office of the Comptroller.

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Agencies are collecting many different types of debts. For example, the Department of Social Services is responsible for collecting support payments from absent parents of children who receive Aid to Dependent Children payments; the Department of Taxation, in enforcing the general fund and some special fund tax statutes, collects delinquent taxes from individuals and companies.

Debt collection is primarily the responsibility of individual State agencies. Some agencies have their own internal collection units while others rely on private collection agencies. Two recent actions have helped focus debt collection activities at the State level.

First, the Attorney General (AG) has taken an active role in assisting agencies collect past due accounts. State agencies must now forward their claims to the AG, as specified in the following 1982 directive:

- (1) Agencies have 90 days from an account's due date in which to try to collect the debts themselves; then, the agencies forward their uncollected claims to the AG if legal assistance is necessary. In certain cases, debts can be forwarded immediately to the AG (before the end of the 90-day period).
- (2) If legal assistance is unnecessary and the agency does not have its own collection unit, then it forwards the claim to a private collection agency.
- (3) If no collection has occurred after six months, the account is returned to the State agency and in certain cases, is then forwarded to the AG.
- (4) The debt is written off if the agency determines the debt is uncollectible and the AG concurs.

Second, in 1981 the State moved toward the establishment of a more comprehensive approach to debt collection by implementing the Setoff Debt Collection Act. This act requires an agency which is seeking to collect a delinquent debt to notify the Department of Taxation (DOT). DOT can then withhold the amount of the debt from the individual's income tax refund.

Fragmentation is still a concern, however, because each of the claimant agencies tracks and notifies debtors and secures payments. A few agencies rely solely on private collection agencies to recover delinquent accounts. Others may not have the necessary resources to make exhaustive collection efforts.

*Options for Change.* To address these structural concerns, the following recommendations should be implemented.

First, the feasibility of the Department of Computer Services taking over the operations of the Department of State Police data processing facilities should be studied. The Department of Planning and Budget in 1982 also recommended this study.

Second, the General Assembly could centralize responsibility for collecting delinquent debts of State agencies under a single agency such as the Attorney General or Department of Taxation. If this action were taken, the State would be assured that a uniform level of effort was being made to collect all debts. The State of Oregon has taken this approach. The Oregon Department of Revenue has a division which collects funds for all State agencies. The agency to which money is owed voluntarily assigns its accounts receivable to the Department of Revenue. Once an account has been reassigned, it cannot be reacquired by the agency.

## Research and Evaluation Activities

Several agencies in this and one other secretarial area evaluate programs carried out by State agencies, gather and analyze data on social and economic aspects of the State, and forecast State revenues. These activities, which all involve collecting and analyzing information, are important because agencies can use the information to run their programs more efficiently and effectively. However, by dividing the activities among several agencies, a potential is created for collecting duplicative and non-uniform data and for incurring unnecessary costs.

*Data Collection and Revenue Forecasting.* Two State agencies in the Administration and Finance secretarial area are involved in the collection of data and the maintenance of information systems that contain data of interest to many other State agencies. While many agencies use this data in developing and implementing programs, it is also used to forecast State revenues and population.

The Department of Taxation (DOT) collects, stores, and analyzes data related to economic and natural resources in a system called the Commonwealth Data Base (CDB). The CDB currently includes a resource data system which contains information on, for example, geology, soils, topography, and water supplies of the State. This information will be used by agencies concerned with natural resources. The system also contains economic data (on wages, income, population, and retail sales, for example) which is used to support the State's large-scale econometric model. The DOT Research Division uses the large-scale and small-scale econometric models to help forecast the State's general fund revenues.

The Department of Planning and Budget (DPB) is also heavily involved in the maintenance of general interest data systems and in forecasting. DPB is directed by statute to collect and disseminate data on the social, economic, physical, and governmental condition of the State, and to coordinate State statistical policy. DPB, with assistance from the Tayloe Murphy Institute at the University of Virginia, acts as the Virginia State Data Center. The Center receives census data from the U.S. Bureau of the Census and makes the data available for use by State agencies and other researchers. DPB's role in revenue forecasting is to compile the special fund forecasts which are made by each of the agencies receiving these funds. DPB also uses the general fund forecasts (developed by the DOT) to develop the budget for the Commonwealth.

In addition to the agencies which furnish DPB with their own forecasts, several other entities have broad revenue forecasting responsibilities. The Division of Motor Vehicles (DMV) has been assigned the lead role in developing the highway maintenance and construction fund forecast, which includes revenues from the motor fuel tax, sales and use taxes, and registration fees. Moreover, DMV

# Administration and Finance

Potential Structural Problem	Agencies	Expenditure on Activity in FY 1981	Related Summary from Executive Agreement	Previous Recommendations	Area for Further Consideration
<b>RESEARCH AND EVALUATION ACTIVITIES</b>					
Duplication and fragmentation of responsibility for collecting, storing, and analyzing data on social, economic, and physical aspects of the state.	Department of Planning and Budget (DPB)	NA		One study recommended that a data base incorporating environmental, socioeconomic, and geographic information be developed and operated under the Commerce and Resources secretariat.	Transferring the DOT Research Division and the Commonwealth Data Base to the DPB could result in improved access to the data and greater visibility of the State information agency.
Fragmentation of revenue forecasting activities.	Department of Taxation (DOT)	NA	The DOT will cooperate with the DMV in analyzing potential means of gaining economies and efficiencies by combining similar services of both agencies.	None	Consolidating responsibility for all revenue forecasting activities under the DPB could ensure that (1) uniform economic assumptions are used in making the projections and (2) updates of general fund forecasts are communicated quickly to the staff who develop the budget for the Commonwealth.
	Department of Planning and Budget (DPB)	NA			
	Division of Motor Vehicles (DMV)	NA			
	Department of Highways and Transportation	NA			
	State Corporation Commission	NA			
Duplication and fragmentation of evaluation activities.	Department of Planning and Budget	NA	None	None	Placing all responsibility for program evaluation under one agency could ensure that both program and management problems in agencies were thoroughly evaluated.
	Department of Management Analysis and Systems Development	NA			

**LEGEND:**

NA: Involved in the activity but specific expenditure data are not available.

--: Not currently involved in the activity.

receives federal fund forecasts from the Department of Highways and Transportation and road tax receipt estimates from the State Corporation Commission to carry out its forecasting responsibilities. Finally, the Governor's Advisory Board of Economists and the Governor's Economic Advisory Council are collegial bodies which provide economic advice to the Governor and are concerned to some degree with revenue estimates.

Thus, a potential exists for duplication and fragmentation in data collection and revenue forecasting. DPB and DOT appear to maintain information systems with similar contents. The presence of these similar systems in two agencies may make it difficult for State agencies to locate the source for the data they need, and it inhibits the development of a comprehensive State data center without incurring some element of duplication. In addition, the responsibility for revenue forecasting is split between several agencies, and the agency which develops forecasts of general fund revenues is not the one which uses them to develop the budget.

*Evaluation.* Two agencies evaluate programs which are carried out by State agencies. The Department of Management Analysis and Systems Development (MASD) evaluates the organizational structures and management practices of State agencies. These studies are done by its Management Consulting Division, which has 14 staff. Requests for studies and assistance come from the Governor, secretaries, and agency heads. MASD identifies problems in management practices, operational policies, and organizational structures and suggests alternatives in order to effect cost reductions and increase operational effectiveness.

The 1976 enabling legislation for the Department of Planning and Budget (DPB) included a provision that it develop and operate a system of evaluating "program and financial performance" of agencies. To carry out this mission, DPB recently added an evaluation unit with six staff under its Division of Research, Evaluation and Policy. Its mission is to evaluate programs carried out by State agencies to determine if they are appropriate government functions, are needed, and are being carried out efficiently and effectively. Requests for evaluations can be made by the Governor's staff or the secretaries. DPB is not supposed to review the management practices or organizational structures of agencies. If a study involves these issues, then MASD staff may be assigned to the review team.

There is a potential for duplication and fragmentation in the evaluations carried out by MASD and DPB. Even though the mission of DPB's unit has been drawn narrowly to include only program evaluation, it may be difficult to evaluate an agency's programs without looking at the management of the agency. DPB evaluators may find a problem in an agency's structure which requires the expertise of an MASD employee, but it may not always be possible to draw on MASD support.

*Options for Change.* In order to address these structural concerns, the General Assembly may wish to consider the following actions:



First, to decrease the potential for duplication and fragmentation, consideration could be given to moving the DOT Research Division and the Commonwealth Data Base to DPB. This transfer could enhance DPB's ability to coordinate statistical policy, increase the visibility of the State information agency, and enhance dissemination of data. Finally, the generators and users of the general fund forecast would be brought into close proximity. Forecast updates made throughout the fiscal year could be quickly communicated to the budget analysts.

Second, the DMV forecasting unit should be transferred to the major forecasting agency (DOT; or if the change above is made, DPB) to ensure that the same economic assumptions are used in all forecasts.

Third, consideration could be given to bringing together the evaluation activities of DPB and MASD under one agency. This evaluation unit could be located under DPB, MASD, or a proposed Department of Analytical and Administrative Services. (As described in the companion document An Assessment of the Secretarial System in the Commonwealth of Virginia, the Department would provide research, evaluation and other types of support to the Governor's secretaries as well as other State agencies.) This type of merger could ensure that all types of problems identified in an agency - whether related to program, management, or organization - would be examined by evaluators with minimal duplication and fragmentation of effort, because one unit would have persons skilled in identifying both program and management problems.



## COMMERCE AND RESOURCES

*The Commerce and Resources secretarial area focuses on the development, management and protection of natural resources and on economic development. The principal goals of this area are to promote the State's products and industrial climate; foster a safe work environment for the labor force; manage the State's natural resources, wildlife, and marine resources; enforce environmental regulations; oversee recreational and historical activities; and provide assistance and protection to consumers.*

### HISTORY AND SCOPE

The Commerce and Resources secretarial area is composed of 19 independent agencies and 104 other entities, making it the largest area in the executive branch (Figure 3). Many of the other entities are regulatory boards under the Department of Commerce and collegial bodies under large agencies such as the Department of Conservation and Economic Development. This area includes agencies with widely varying orientations, from agriculture and industry to recreation and the environment.

The area has two large independent agencies, the Department of Conservation and Economic Development (DCED) and the Department of Agriculture and Consumer Services, which each have more than 700 employees. Other large agencies are the Commission of Game and Inland Fisheries, the State Water Control Board, and the Department of Labor and Industry. The remaining agencies all have less than 200 staff. Five have fewer than 20 employees.

Since this secretarial area was formed in 1972, there have been several additions and deletions of agencies. Additions include:

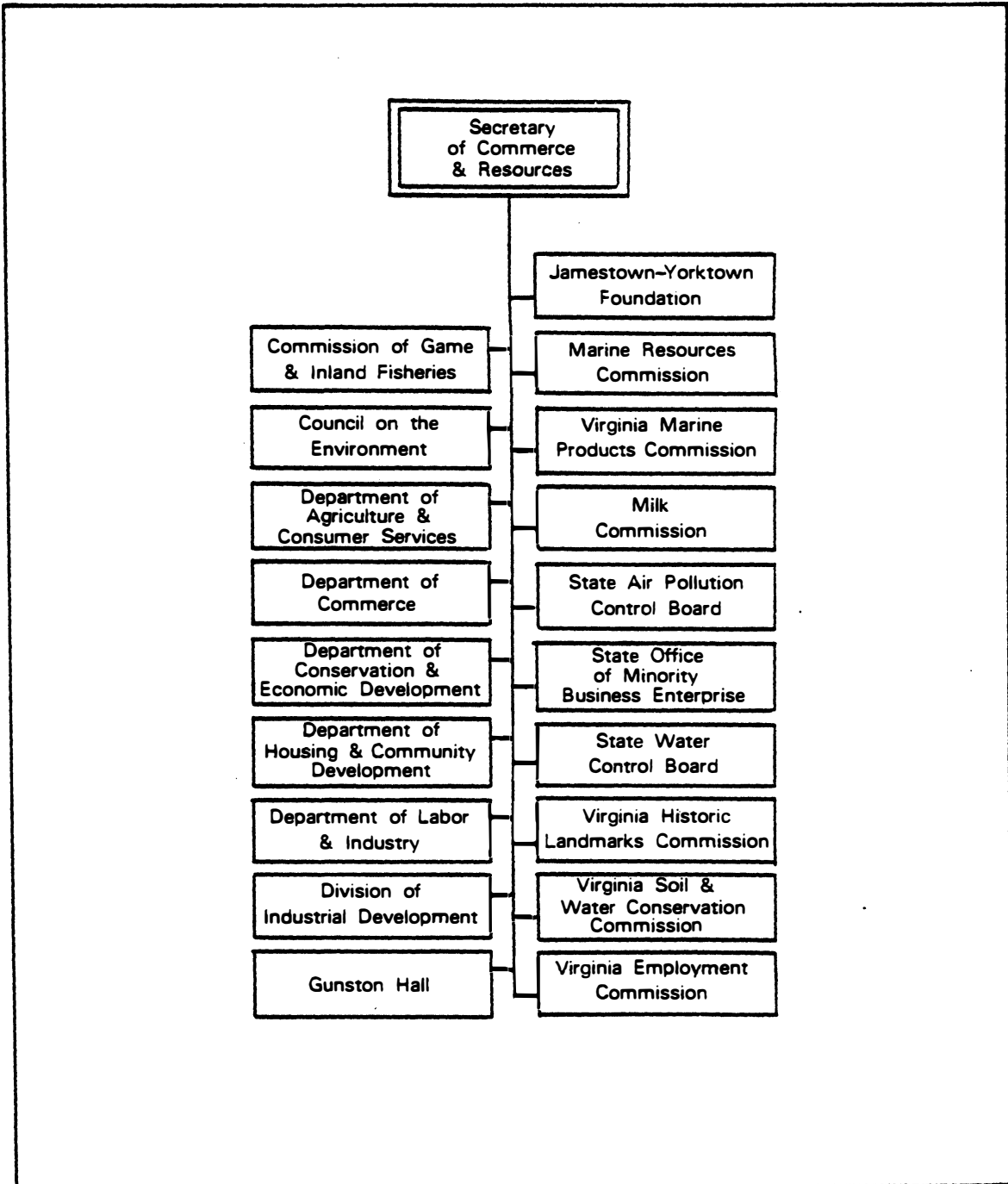
- Department of Housing and Community Development
- Department of Commerce
- Virginia Marine Products Commission
- Virginia Employment Commission

Deletions include:

- Virginia Port Authority (moved under the Secretary of Transportation)

Figure 3

## Commerce and Resources Secretarial Area



**Area also includes:**

- 6 dependent administrative agencies, such as the Pork Commission
- 93 collegial and other bodies, such as the Board of Psychology and the Caves Commission
- 4 political subdivisions, such as the Virginia Housing Development Authority

- Commission of Outdoor Recreation (merged with the Department of Conservation and Economic Development)
- Virginia Independence Bicentennial Commission (expired)
- Commission on Local Government (moved under the Secretary of Administration and Finance)

The grouping of a large number of agencies with divergent orientations in one secretarial area has raised structural concerns. The number of agencies may make the area difficult to manage, and one Secretary may not have the time or expertise to address the different issues arising in each area. Recommendations have been made in the last decade to reduce the number of agencies and/or split the secretarial area into two.

## STRUCTURAL TARGETS

Within Commerce and Resources, four areas were identified which contain one or more specific structural targets. These subject areas are the regulation of products, worksites, and occupations; recreational and historical planning and management; economic development; and natural resources planning, management, and regulation.

### Regulation of Products, Worksites, and Occupations

Regulation is carried out by many State agencies to protect the health and safety of the general public. Some agencies carry out regulatory activities related to their overall mission of managing a resource, such as air and water (structural considerations regarding these functions are addressed in another section). Other agencies have been assigned responsibility for generic types of regulation such as ensuring the quality and/or safety of products, worksites, and practitioners.

When responsibility for generic types of regulation is unnecessarily fragmented among agencies, the result can be administrative duplication, poor communication, excessive costs, and multiple intrusions on businesses. Such situations have developed in several instances where the State Department of Health (SDH) under the Secretary of Human Resources is involved in inspecting the same products and sites as certain agencies under the Secretary of Commerce and Resources.

*Inspection of Milk and Milk Products.* SDH and the Department of Agriculture and Consumer Services (DACS) both inspect milk at different points in the production process to ensure that it is safe for human consumption. DACS inspects Grade A dairy farms, milk haulers, receiving and transfer stations, and manufactured milk products to

# Commerce and Resources

Potential Structural Problem	Agencies	Expenditure on Activity in FY 1981	Related Summary from Executive Agreement	Previous Recommendations	Area for Further Consideration
<b>REGULATION OF PRODUCTS, WORKSITES, AND OCCUPATIONS</b>					
Duplication and fragmentation in the inspection of worksites for health and safety violations.	Department of Labor and Industry (DLI)	\$2,914,134	The DLI will review the feasibility of consolidating the worksite safety inspections (carried out by DLI) and health inspections (carried out by SDH) under one department.	One report suggested that the current division of responsibility for safety and health inspections be maintained.	Consolidation of responsibility under one agency for all worksite inspections could result in improved management coordination and cost savings.
	State Department of Health (SDH)	\$1,029,307			
Duplication and fragmentation in the sanitary inspections of seafood processing plants.	State Department of Health	\$ 772,986*	None	Two studies recommended a consolidation of sanitary inspections of seafood processing plants into one agency.	Consolidation of inspections of seafood processing plants under one agency could improve management coordination and simplify processors' compliance with State regulations.
	Department of Agriculture and Consumer Services	NA			
Fragmentation in the quality and sanitation inspections of milk and milk products.	Department of Agriculture and Consumer Services (DACS)	\$ 940,811	DACS will develop a plan to take over the SDH's milk inspection activities.	One report recommended further study of the apparent duplication in milk regulation. Another study recommended that all milk regulation activities be transferred to DACS. Still another suggested that they be transferred to the Department of Commerce.	Consolidation of all milk inspection activities in one agency could result in improved management coordination, cost savings, and simplified procedures for milk producers and processors.
	State Department of Health (SDH)	NA			

\*This figure includes all expenditures for the Bureau of Shellfish Sanitation. Approximately 40% of this total is allocated to inspections. The rest goes toward shoreline sanitary surveys, seawater monitoring and laboratory analysis.

## Commerce and Resources

Potential Structural Problem	Agencies	Expenditure on Activity in FY 1981	Related Summary from Executive Agreement	Previous Recommendations	Area for Further Consideration
Inappropriate alignment of bedding and upholstered furniture regulation under an agency which is primarily concerned with promoting health.	State Department of Health	\$ 131,448	None	One study recommended that bedding and upholstered furniture regulation be transferred to DACS. Another recommended that it be transferred to the Department of Commerce.	Aligning bedding and upholstered furniture regulation under DACS would place most product regulatory responsibility within one agency.
	Department of Agriculture and Consumer Services (DACs)	--			
Duplication and fragmentation in regulating professions and occupations, such as accountants, opticians, and pharmacists.	Department of Commerce (DOC)	\$2,858,853	None	One study recommended placing regulatory boards under one agency. Another study recommended placing the health-oriented boards under the Department of Health and the remaining ones under the DOC. Still another presented several options for reorganization, including the two mentioned above.	Combining the DOC and DHRB into one centralized support agency for all regulatory boards could result in cost savings and a more cohesive regulatory policy.
	Department of Health Regulatory Boards (DHRB)	\$1,717,474			

### LEGEND:

NA: Involved in the activity but specific expenditure data are not available.

--: Not current involved in the activity.

ensure that they meet quality and sanitary standards. The SDH inspects plants which process and distribute Grade A milk and milk products and frozen dessert plants which are in Grade A milk plants.

Both agencies issue permits, make inspections, and analyze samples. These activities do not appear to require skills so specialized that only one agency could carry them out. In fact, under some circumstances inspections are done by a single agency. DACS inspects frozen dessert and ice cream processing facilities, unless the facility also contains a Grade A milk plant. In the latter case, the SDH inspects the entire facility.

Virginia's division of responsibility for these activities is unlike that of most other states. Forty-two other states have placed all their fluid milk inspection activities in one agency (either health or agriculture).

*Inspection of Fish Processing Plants.* Fragmentation also exists between DACS and SDH in inspections of shellfish and finfish processing plants. SDH inspectors examine the sanitary and operating conditions of shellfish and crabmeat processing plants. DACS inspectors enter finfish processing facilities to ensure that the products are wholesome and properly labeled. If a processing plant handles both shellfish and finfish, then SDH inspectors enter the plant to observe conditions only in the shellfish processing area, and DACS staff inspect only the finfish section. Again, the two agencies are carrying out similar activities, and these activities do not appear to require skills so specialized that only one agency could carry them out.

*Regulation of Bedding.* SDH issues licenses to persons who manufacture or reupholster bedding or upholstered furniture, or who process or sell filling materials to be used in these articles. SDH also reviews and issues permits to persons who sanitize or sterilize these items. The inspectors can enter the place of business to take samples of the items.

Regulation of bedding and upholstered furniture does not appear to be properly aligned under SDH, since these activities are different from most others carried out by the agency. The State agency generally responsible for the regulation of consumer products is DACS.

*Inspection of Worksites.* SDH also shares responsibility with the Department of Labor and Industry (DLI) for inspecting worksites. SDH enters businesses to check for health hazards such as excessive noise and asbestos. DLI enters the same businesses to check for safety-related hazards such as the lack of a proper guard on a machine. DLI is also solely responsible for the inspection of mines.

Both agencies issue citations, put on training seminars, and make inspections. These activities do not appear to be specific to the skills of one agency. Moreover, Virginia is one of a very few states which has divided its health and safety worksite inspections between two agencies.

*Regulation of Professions and Occupations.* Two agencies carry out the same sole function -- regulating practitioners of occupations and professions. The Department of Health Regulatory Boards (DHRB) and the Department of Commerce (DOC) provide administrative support to the boards and commissions which are appointed to set standards for practitioners. The two agencies carry out essentially the same activities to support the boards, such as administering the application and licensure process and receiving and investigating complaints against practitioners. While DHRB is oriented toward health care professionals and DOC is oriented toward commercial practitioners, this distinction is not consistent, because DOC also regulates allied health professionals such as audiologists.

In addition, many other State agencies oversee other types of practitioners in some way. For example:

- The Department of Agriculture and Consumer Services licenses pesticide applicators.
- The Department of Labor and Industry certifies boiler inspectors.
- The State Department of Health certifies emergency medical technicians.
- The Division of Motor Vehicles registers motor vehicle salesmen.

Many other states have either: (1) placed all their professional regulation responsibilities under a single agency, or (2) placed business-related boards under one agency and regulate health professionals through their health departments. Virginia is the only state which has created two agencies whose sole purposes are to regulate practitioners.

*Options for Change.* Each of these structural concerns could be solved by realigning certain activities under an existing agency, merging agencies with similar functions, or creating a new agency. The options are as follows:

First, given the fact that most product regulation is now carried out by DACS, SDH's responsibility for inspecting milk and milk products, fish processing plants, and bedding and upholstered products would be most appropriately transferred to DACS. Worksite inspections could be consolidated under the Department of Labor and Industry since the bulk of the activity is currently carried out there. Cost savings could be realized by decreasing the number of inspectors, and management coordination could be enhanced because all infractions would be handled within one agency..



Second, professional and occupational regulatory agencies could be merged. As JLARC recommended in its 1982 report on the occupational and professional regulatory system, the two agencies which perform the administrative functions of the boards could be merged into one agency or required to share common services.

Third, as the Commission on State Governmental Management suggested in a 1976 report, an even more comprehensive approach could be taken regarding the regulation of products, worksites, and occupations. The Commission recommended that the regulation of all manufactured and agricultural products, of non-health practitioners, and consumer affairs be placed under the Department of Commerce. Under this option, (1) costs could be reduced because of the administrative efficiencies inherent in such a consolidation; (2) coordination of complaints could be enhanced; and (3) public awareness of these services could be enhanced because all consumer services would be located in one agency.

#### Park, Recreational, and Historical Planning and Management

Several State agencies are engaged in the planning or management of parks and recreational and historic sites. With two exceptions, these agencies all operate one or more sites for public use. If the State did not continue to operate these sites, Virginians would not be assured of their preservation for future generations. In addition, it is in the economic interest of the State to maintain the sites because they attract tourists. However, several independent agencies (some very small) are now operating historic attractions throughout the State. This structural arrangement does not promote uniform and coordinated management and promotion of the Commonwealth's valuable historic assets. Furthermore, excessive costs may result because many of the agencies have separate administrative structures which carry out similar activities.

Each agency or other entity which operates a historical attraction is listed in Table 14, along with its location and number of employees.

Other agencies also have responsibility for preserving historic sites, but they carry out different activities than the entities in Table 14. The Virginia Historic Landmarks Commission (VHLC) surveys buildings, structures, and archaeological sites and designates some as historic landmarks. The Virginia Outdoors Foundation (VOF), which has one employee and receives its appropriation through VHLC, encourages private gifts to preserve natural, scenic, historical, and recreational areas of the State.

Virginia recently took a major step in reducing fragmentation in a related area when the Commission of Outdoor Recreation (COR) was merged with the Parks Division of the Department of Conservation and Economic Development (DCED). COR was previously charged with helping

# Commerce and Resources

Potential Structural Problem	Agencies	Expenditure on Activity in FY 1981	Related Summary from Executive Agreement	Previous Recommendations	Area for Further Consideration
<b>RECREATIONAL AND HISTORICAL PLANNING AND MANAGEMENT</b>					
Duplication and fragmentation in the management of historical and commemorative attractions.	Virginia Historic Landmarks Commission	\$1,744,051		One study recommended that all historical and recreational attraction management functions be merged into a consolidated agency. Another study opposed the consolidation of these functions.	Consolidation of agencies with historical and commemorative attraction management responsibilities could result in cost savings and a reduction in the number of agencies.
	Jamestown-Yorktown Foundation	\$ 788,273			
	Board of Regents - Gunston Hall	\$ 331,917			
	Department of Conservation and Economic Development - Division of Parks	\$ 63,850	None		
	Mary Washington College - James Monroe Museum and Library	NA			
	Virginia War Memorial Commission	\$ 717			

## LEGEND:

NA: Involved in the activity but specific expenditure data are not available.  
 --: Not currently involved in the activity.

Table 14

HISTORICAL ATTRACTIONS MANAGED BY STATE AGENCIES

<u>Agency</u>	<u>Attraction</u>	<u>Location</u>	<u>Maximum Employment Level (FY83)</u>
Virginia War Memorial Commission	Virginia War Memorial	Richmond	0
Board of Regents-Gunston Hall	Gunston Hall	Lorton	12
Jamestown-Yorktown Foundation	Jamestown Festival Park Yorktown Victory Center	Jamestown Yorktown	66
Mary Washington College	James Monroe Museum and Library	Fredericksburg	2
Department of Conservation and Economic Development - Division of Parks and Recreation	George Washington Grist Mill, Shot Tower, Southwest Virginia Museum, Saylor's Creek Battlefield	Alexandria Dublin Big Stone Gap Prince Edward County	2

Source: Appropriations Act and Interviews with Agencies.

localities and certain State agencies acquire and develop recreational areas. COR's former activities, such as providing technical assistance and writing State recreation plans, are now included under the agency which actually operates the State parks. This change makes Virginia's organization similar to that of many other states in that its parks and recreation functions are consolidated under one agency.

The State could take further steps to reduce the structural concerns which still exist in its recreational and historic activities.

First, given that DCED's Division of Parks and Recreation (DOPR) has responsibility for running the State parks and the historic sites within many of the parks, the management of additional historic attractions could be brought under DOPR. This move could have several benefits: attractions would be managed and promoted uniformly; administrative overhead might be reduced; and the number of independent

agencies would be reduced. Even though these attractions are scattered around the State, it appears reasonable to provide administrative support to these agencies from a centralized location.

It should be noted that the deeds of trust which originally conveyed Gunston Hall and the James Monroe Museum and Library to the State each contain statements regarding how each is to be administered. Each should be further scrutinized to determine to what extent the deeds would preclude these facilities from changes.

Second, similar to a recommendation by the Commission on State Governmental Management in 1976, a separate "Department of Parks and Historic Preservation" could be created. This agency would include the Division of Parks and Recreation, agencies managing historical attractions, the Virginia Historic Landmarks Commission, and the Virginia Outdoors Foundation. Even though the latter two agencies do not manage historic attractions, they could be considered for inclusion because they have a mission related to those of the other agencies -- preservation of sites. While the advantages mentioned for the first option could also accrue here, recreation and historic preservation might receive more emphasis and be more visible in a separate agency than in a broad agency such as DCED.

### Economic Development

To foster economic development, several State agencies promote the Commonwealth's products, services, tourist attractions, and business climate. Each of the agencies is engaged in some aspect of promotion, such as advertising, contacting businessmen, or providing technical assistance. These activities can improve the financial well-being of the State's farmers, industries, and other businesses.

Unlike many other states which have many of their economic development activities under one agency, Virginia has in many cases created a separate agency to carry out each function (such as seafood promotion and industrial development). This has led to a situation in which several agencies are carrying out similar but not necessarily coordinated activities.

The Department of Agriculture and Consumer Services (DACS) promotes Virginia agricultural commodities by providing assistance to farmers and product associations, doing research, and promoting the sale of Virginia products in the U.S. and abroad. DACS also provides staff assistance to the Virginia Agricultural Foundation, which funds research projects; and the nine product commissions, which are engaged in education, research, and promotion of Virginia agricultural commodities. (A tenth agricultural commission, the Seed Potato Commission, is involved in inspection, not promotion).

The *Code* specifies that each of the product commissions is established "within the Department of Agriculture and Consumer Services." While the Egg, Pork, and Apple Commissions have their own

# Commerce and Resources

Potential Structural Problem	Agencies	Expenditure on Activity in FY 1981	Related Summary from Executive Agreement	Previous Recommendations	Area for Further Consideration
<b>ECONOMIC DEVELOPMENT</b>					
Fragmentation of industrial development activities.	Department of Conservation and Economic Development (DCED) - Virginia Division of Tourism	\$3,245,034	The DCED will study the effectiveness of and provide recommendations on the continued operation of the Virginia Film Office (located under the Virginia Division of Tourism).	One study said consideration should be given to moving the Industrial Training Division of the VCCS to the DID. Another study recommended creating a new agency which would include industrial development and tourism functions.	Consolidating all industrial development activities under a single agency could result in improved coordination of promotional activities and better client access.
	Division of Industrial Development (DID)	\$2,342,729			
	Virginia Community College System (VCCS) - Industrial Training Division	\$1,203,882			
	State Office of Minority Business Enterprise (OMBE)	\$ 311,977			

## Commerce and Resources

Potential Structural Problem	Agencies	Expenditure on Activity in FY 1981	Related Summary from Executive Agreement	Previous Recommendations	Area for Further Consideration
Fragmentation in the research, promotion, and marketing development of Virginia agricultural and seafood products and unclear organizational status of the product commissions, which carry out promotion and research on Virginia agricultural commodities.	Department of Agriculture and Consumer Services (DACS)	\$1,338,446**	DACS will study the services provided to the commodity industries to assess which can be eliminated, altered, or user-supported.	One study recommended that the promotion of agricultural products be brought under a new agency oriented to agricultural promotion and economic development.	Merging the Marine Products Commission with DACS and establishing the product commissions more clearly as sub-units of DACS could result in improved management coordination and more unified promotion of Virginia products.
	Product Commissions*	\$ 629,116			
	Virginia Agricultural Foundation (VAF)	\$ 180,954			
	Virginia Marine Products Commission	\$ 57,594			

### LEGEND:

NA: Involved in the activity but specific expenditure data are not available.

--: Not currently involved in the activity.

\*Expenditures are for the Egg, Pork, Dark-Fired Tobacco, Soybean, Apple, Peanut, Sweet Potato, and Bright Flue-Cured Tobacco Commissions; the Corn Commission had not yet begun operations.

\*\*Expenditures are for Agricultural Product Promotion and National and International Trade Services.

staff, DACS provides administrative support to all nine except for the Apple Commission. Differential staffing of these commissions can lead to uneven promotional activities and duplicative or similar research or promotional activities.

The Department of Management Analysis and Systems Development and the Attorney General are completing a study of the role and oversight of the agricultural product commissions. According to the Secretary of Commerce and Resources, their report may recommend a new system which is completely separate from State government.

The Virginia Marine Products Commission's activities are very similar to those of the agricultural product commissions. It plans and carries out marketing, educational, and promotional campaigns for Virginia marine products, and also conducts research in areas such as catching and marketing these products.

The Division of Industrial Development (DID) encourages businesses to locate or expand in Virginia and helps State manufacturers establish export markets abroad. The staff contact business representatives around the world, provide assistance to prospective businesses, do research, and carry out an advertising campaign.

The Virginia Division of Tourism, which is located in the Department of Conservation and Economic Development, encourages tourists to visit the State. It carries out an advertising campaign, operates welcome centers and does research. The Virginia Film Office, which contacts prospective filmmakers to encourage them to shoot their movies in the State and provides scouting assistance, is also located under the Division of Tourism.

The Virginia Port Authority, which is located under the Secretary of Transportation, is also involved in economic development activities. It promotes the use of the State's ports by contacting businesses in the U.S. and abroad.

Thus, these agencies are carrying out many similar activities. Although some target different audiences, in some cases they may be contacting the same businesses and advertising in the same markets.

Two additional agencies are involved in a different aspect of economic development, but their missions are related to the agencies discussed above. The State Office of Minority Business Enterprise (OMBE) promotes the growth and development of minority businesses. It has recently proposed adding small business assistance to its mission. OMBE gives technical assistance; distributes bid invitations to minority businesses for highway procurement contracts; delivers and verifies procurement contracts; coordinates the plans of State agencies which affect minority businesses; and promotes the mobilization of government and private sector resources to help these enterprises grow.

The Industrial Training Division of the Virginia Community College System (VCCS) provides basic training, retraining, and instructor training services which are requested for the employees of new and expanding industries in Virginia. VCCS operates this program, although the Division of Industrial Development (DID) provides most of the training funds and subcontracts for the training with VCCS.

The Governor's 1982-84 executive agreements indicate that the following steps are being considered to improve coordination of development activities: 1) DACS will study its promotional services with DID and the Division of Tourism to improve their joint efforts; and 2) the Secretaries of Commerce and Resources and Transportation are examining Virginia's international trade development program to find ways to improve it.

Benefits could accrue to the State if its promotional activities were consolidated in some way. Coordination of inquiries could be enhanced, all products and services could be promoted in a uniform way, and savings may result because one rather than several administrative structures would be necessary. Options for change are as follows:

First, as the Commission on State Governmental Management suggested in 1978, the State's travel promotion and industrial development activities could be brought together under a new "Department of Industrial Development and Tourism." Many states have one agency which carries out industrial development and tourism, as well as other related activities such as film promotion and international trade. This change would unify two major promotional functions of the State, but the agency would not include all promotional activities.

Second, several entities could be brought under DACS. All functions of the Marine Products Commission and the nine agricultural commissions could be carried out by DACS staff.

Third, as the Commission on State Governmental Management originally suggested in 1976, virtually all promotional activities, including those of DACS and its dependent bodies, the State Office of Minority Business Enterprise, the Division of Tourism, and DID could be brought together under a comprehensive economic development agency. Even more functions could be moved to this type of agency -- port development, industrial training, and seafood marketing, for example. Some states have taken this approach.

#### Resource Planning, Management, and Regulation

State agencies carry out numerous activities which are related to planning, managing, and regulating natural resources. Some of their activities, such as reforesting lands and preventing erosion, do not involve regulation. Others, such as monitoring water quality and cleaning up hazardous waste dumps, are regulatory in nature. The common goal of these activities is to preserve and protect the air, water, and lands of the State.



# Commerce and Resources

Potential Structural Problem	Agencies	Expenditure on Activity in FY 1981	Related Summary from Executive Agreement	Previous Recommendations	Area for Further Consideration
<b>RESOURCE PLANNING, MANAGEMENT AND REGULATION</b>					
Fragmentation of responsibility for managing land resources, such as forests, beaches, and agricultural lands.	Department of Conservation and Economic Development (DCED)*	\$11,834,878	DCED will evaluate the services provided by the Commission on the Conservation and Development of Public Beaches, while the SWCC will study the feasibility of assuming the Commission's major functions.	One study recommended moving SWCC, several divisions of DCED, and other entities under a new Department of Conservation.	Merger of land management agencies and activities could result in improved coordination of natural resources management and a reduction in the number of State agencies.
	Soil and Water Conservation Commission (SWCC)	\$1,704,012			
Fragmentation in the responsibility for the enforcement of small boat regulations.	Commission of Game and Inland Fisheries	NA	None	None	Consolidation of boat regulation activities in one agency could result in more uniform enforcement of boating regulations on all waters throughout the State.
	Marine Resources Commission	NA			

\*Divisions of Litter Control and Forestry; and the Commission on the Conservation and Development of Public Beaches

## Commerce and Resources

Potential Structural Problem	Agencies	Expenditure on Activity in FY 1981	Related Summary from Executive Agreement	Previous Recommendations	Area for Further Consideration
Fragmentation in responsibility for environmental regulation, including planning, setting standards, monitoring, and taking enforcement action to control pollution of the air, land and water.	State Water Control Board (SWCB)	\$11,218,585*	None	Two studies recommended major reorganizations which would merge several environmental and natural resource agencies. Another study recommended that no reorganization should occur. Four studies recommended that the SDH's regulation of wastewater plants be transferred to the SWCB.	Consolidation of the State's environmental agencies into one agency could result in improved coordination of environmental regulatory activities, cost savings, a smaller number of State agencies, and simplified compliance procedures for the private sector.
	Department of Conservation and Economic Development - Division of Mined Land Reclamation	\$ 4,714,857			
	Air Pollution Control Board	\$ 3,167,010**			
	Department of Health (SDH) - 3 divisions	\$ 2,445,703***			
	Council on the Environment	\$ 342,669			

### LEGEND:

NA: Involved in the activity but specific expenditure data are not available.

--: Not currently involved in the activity.

\*Total expenditures for SWCB in FY 1981.

\*\*Total expenditures for APCB in FY 1981.

\*\*\*Expenditures are for solid waste disposal regulation enforcement, sewage and wastewater regulation, and regulation of hazardous products.

The Commonwealth has consolidated some of its natural resource management-oriented activities under one agency, the Department of Conservation and Economic Development (DCED). However, structural concerns still remain because some activities, particularly the regulatory ones, are divided among several agencies. Seven agencies in this secretarial area and one under the Human Resources area, the State Department of Health, are involved in managing natural resources. Virginia is one of only four states which has not unified its primary environmental regulatory activities (of air, water, and solid and hazardous wastes) under one agency. The consequences of splitting responsibility among so many agencies can be excessive costs and lack of coordination of regulatory activities.

*Environmental Planning and Regulation.* Environmental regulatory activities are divided among four agencies in two secretarial areas. Another agency is responsible for broad environmental planning.

The State Water Control Board (SWCB) is charged with protecting and restoring the quality of the State's waters. Some of its responsibilities are to:

- make regulations to abate water pollution;
- issue permits to discharge wastewater;
- plan and manage the use of groundwater supplies;
- monitor and enforce water quality standards; and
- approve plans for wastewater treatment facilities and give technical assistance to their operators.

The Air Pollution Control Board (APCB) ensures that certain levels of air quality are achieved and maintained. It adopts regulations and makes plans on air quality, monitors air quality, and takes enforcement actions.

Four units in the State Department of Health's Office of Health Protection and Environmental Management are also involved in environmental regulation. First, the Bureau of Wastewater Engineering carries out similar activities as the SWCB in the regulation of wastewater treatment facilities. The *Code of Virginia* states that:

- both agencies must review and approve the applications and plans of individuals who wish to construct, expand, or operate a sewage system or treatment works; and
- SWCB must consult with SDH before giving permits to allow discharge of wastes into any sewage system or works.

SDH also trains the operators and owners of these facilities, as does SWCB. Repeated studies since 1970 have recommended that SDH's oversight of wastewater treatment facilities be transferred to SWCB.

Second, the Bureau of Toxic Substances Information operates a reporting system for toxic substances. Businesses which use or produce toxic substances must register with the bureau, which in turn compiles, computerizes and disseminates an inventory of these substances.

Third, the Bureaus of Solid Waste and of Hazardous Waste carry out these regulatory activities:

- make plans for waste management;
- provide technical assistance to waste site and facility operators;
- issue permits to run sanitary landfills and to treat, transport, and dispose of hazardous waste;
- inspect landfills and waste sites; and
- take enforcement action.

Finally, the Division of Mined Land Reclamation in DCED enforces mining operation regulations. It makes regulations, gives technical assistance to mine operators, and enforces regulations.

All four of these agencies must write plans in order to carry out their regulatory duties. However, one agency, the Council on the Environment (COE), has been given responsibility for broad environmental planning. COE researches and drafts positions on environmental issues, reviews environmental impact reports, and coordinates the planning and services of the environmental agencies.

*Land Management.* Two agencies manage land resources. Their activities contrast with the ones just described because they are not regulatory in nature. These agencies and their activities are:

- Soil and Water Conservation Commission (SWCC) -- provides funds and assistance to local conservation districts;
- Department of Conservation and Economic Development -- (1) Division of Forestry gives assistance to protect and develop forests; (2) Division of Litter Control gives assistance to localities to establish litter programs; (3) Commission on the Conservation and Development of Public Beaches gives grants to localities to stop shoreline erosion.

These activities share a common goal of managing and preserving the land resources of the Commonwealth, and appear to be similar enough that they could be carried out under the same agency.

*Enforcement of Boating Regulations.* Two agencies enforce boating laws. The Marine Resources Commission (MRC) enforces small boating laws as well as laws related to the seafood industry (catches and seasons, for example) on the marine waters of the State. The Commission of Game and Inland Fisheries enforces small boating laws on

all waters of the State, both inland and marine. Both agencies have personnel patrolling the waters (sometimes the same waters), and a separate administrative structure supports each.

*Options for Change.* The Commonwealth could gain by reorganizing its natural resources agencies in some manner, particularly the regulatory ones. Pollution of the water often affects the quality of the air and land as well. Coordination of planning, policy-making, research, monitoring, and enforcement could be enhanced if these activities were under one agency. Several options for change are available.

First, one activity could be transferred to an existing agency. SDH's regulation of sewage systems could be moved to the State Water Control Board.

Second, MRC and the Commission of Game and Inland Fisheries could be brought together. This would consolidate all recreational and commercial boating regulatory activities under one agency, and could result in more uniform enforcement of boating regulations throughout the State.

Third, as the Commission on State Governmental Management recommended in 1976, a new natural resources department could be created under a new secretariat with strictly a resources orientation. This agency could include the Soil and Water Conservation Commission and the land management functions of DCED. This change would make conservation activities highly focused and visible and could enhance coordination of these activities.

Fourth, as the Commission also recommended in 1976, a separate agency devoted to environmental regulation could be created, again under the secretariat with the resources orientation. The staff of the Council on the Environment could become the staff to the Natural Resources Secretary. The agency could include the Council on the Environment, State Water Control Board, Air Pollution Control Board, the Division of Mined Land Reclamation and the State Department of Health's environmental regulatory activities. This structure would be similar to that of 12 other states, which have an agency solely devoted to environmental regulation. This change would give environmental regulation a visible place in State government, and could improve coordination of regulatory activities, reduce the number of State agencies, and simplify procedures for regulated businesses.

Finally, the Commonwealth could place many or all natural resource management and environmental regulation activities under one agency, as 19 states have done. A broad natural resources agency could include forestry, game, fisheries and marine resource management, environmental regulation, and soil conservation.



## EDUCATION

*This functional area's activities provide instruction and other education-related services. The agencies in this area offer higher education courses, provide assistance and funding to local school divisions, give schooling to deaf and blind children, provide and guarantee loans, operate museums, provide assistance to libraries, promote a coordinated system of higher education, and provide hospital and extension services.*

The education area contains the largest number of employees and the second highest number of entities of all the functional areas. It has 23 independent agencies and 86 other bodies (Figure 4). Fourteen of the independent agencies are senior colleges and universities, and 23 of the other bodies are community colleges, which are administered by the Virginia Community College System. Other entities which are not independent agencies include the Virginia Institute of Marine Science and Richard Bland College (both are institutions under the College of William and Mary).

In addition to the many institutions of higher education, this area also contains agencies with non-instructional missions. These include the Virginia Museum of Fine Arts, the Virginia Commission for the Arts, and the Virginia State Library.

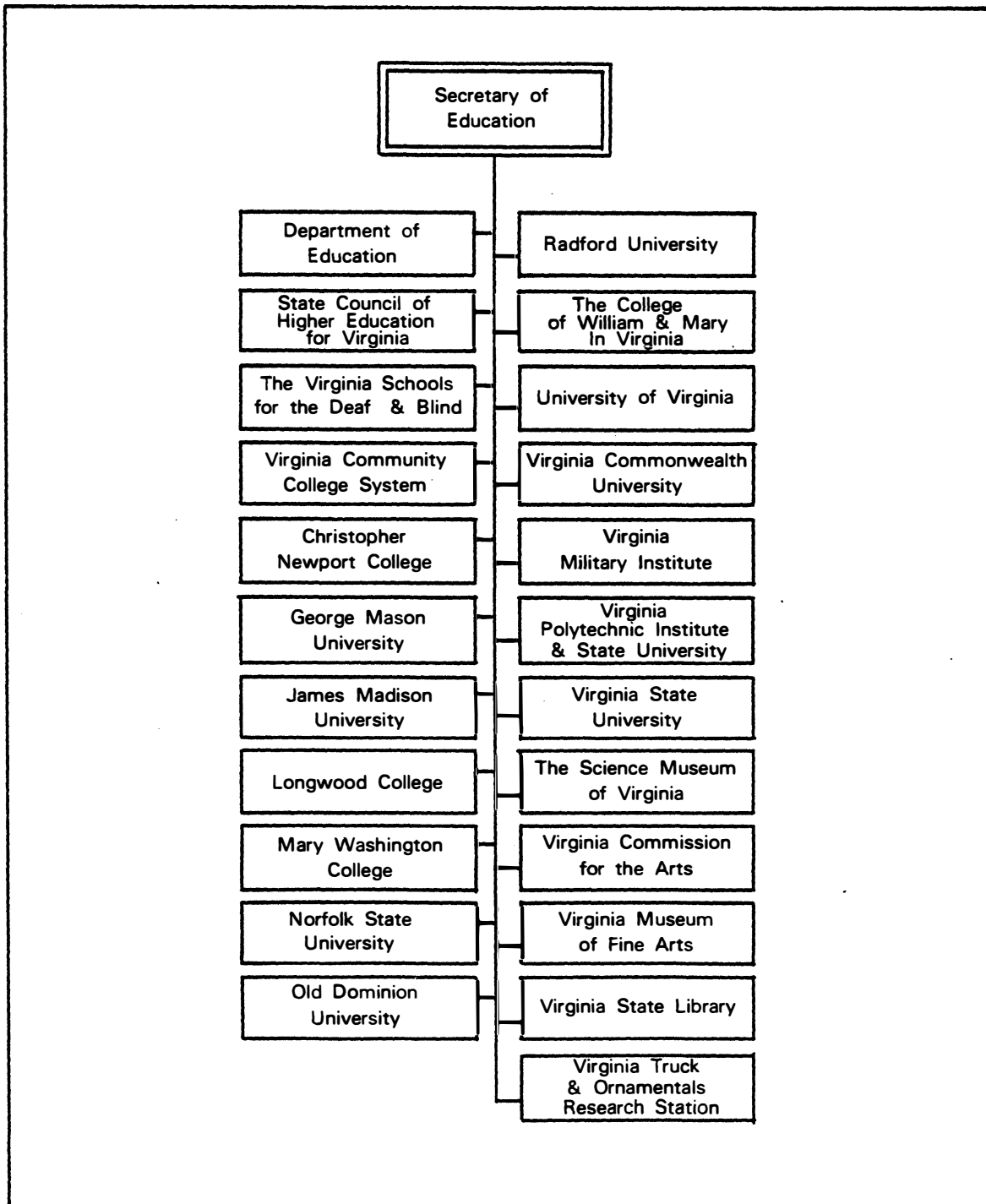
The largest institutions are by far the University of Virginia, Virginia Polytechnic Institute and State University, Virginia Commonwealth University, and the Virginia Community College System. Three administrative agencies have fewer than 50 employees: the Virginia Truck and Ornamentals Research Station, the Virginia Commission for the Arts and the Science Museum of Virginia. The State Education Assistance Authority, a political subdivision which used to receive a State appropriation, also employs less than 50 staff.

Since this secretarial area was established in 1972, only one independent agency has been added. Christopher Newport College, which was previously a part of the College of William and Mary, was made an independent entity in 1976.

JLARC did not examine the instructional programs of the institutions of higher education for this report. Since many activities in this functional area are related to instructional programs, this exclusion narrows the scope of the review.

Figure 4

## Education Secretarial Area



**Area also includes:**

- 29 dependent administrative agencies, such as Germanna Community College
- 51 collegial and other bodies, such as the Board of Visitors of James Madison University
- 5 political subdivisions, such as the State Education Assistance Authority

## STRUCTURAL TARGETS

Two potential structural problems were identified in the Education secretarial area. They are the fragmentation in providing financial assistance to students in institutions of higher education and in providing statewide library services.

### Financial Assistance for Higher Education

Two administrative agencies and two political subdivisions are involved in providing financial assistance to students in institutions of higher education. The Commonwealth has created these assistance programs to ensure that Virginia residents are not prevented from attending a college, university, or vocational school because of lack of funds.

The State Council of Higher Education for Virginia (SCHEV) administers one small and two major grant programs. The major programs are the College Scholarship Assistance Program, a need-based program for Virginia residents enrolled in public or private colleges and universities; and the Tuition Assistance Grant Program, a non-need-based grant program for Virginia residents enrolled in private colleges. The small program it administers is the Eastern Shore Tuition Assistance Program, through which it provides grants to qualified residents of Accomack and Northampton Counties. SCHEV staff receive and approve grant applications, issue grant award notifications, prepare student rosters for each institution and arrange to pay the institutions.

The State Education Assistance Authority (SEAA) is the guarantor, recordkeeper, and collector of all guaranteed loans made to Virginia residents who are enrolled in post-secondary education and vocational institutions anywhere in the U.S. SEAA, which is a political subdivision of the Commonwealth, processes applications for guarantees; provides training to financial officers from colleges and universities and to bank personnel; manages a trust fund from which claims are paid; maintains records on all borrowers until repayment is completed; monitors the servicing of loans by lenders; and locates and collects payments from defaulters.

The Virginia Education Loan Authority (VELA) issues bonds to establish a loan pool, and in turn makes loans to students who wish to attend higher education institutions anywhere in the U.S. VELA is also a political subdivision. The staff receive and approve loan applications, fix and collect interest and fees on loans, train financial aid officers, counsel students, and administer the bond program.

An advisory committee to the State Board of Health gives annual scholarships to students in nursing and dental hygiene programs. The Committee develops a point system for the awards, receives and processes applications, and makes the awards.



Thus, some of these bodies' activities are similar. All four receive and approve applications and keep records on their clients. The VELA and SEAA both give training to fiscal personnel and locate defaulters.

Other states have a variety of organizational structures for their agencies which provide financial assistance to students. Some have placed the lender and guarantor functions in one agency; others have separate agencies; and still others have the guarantor in one agency and have appointed an independent corporation to be the lender.

To address the potential fragmentation in the provision of student financial assistance, the State could require SEAA and VELA to share administrative support services. A similar recommendation was proposed by the Commission on State Governmental Management in 1978. Each agency carries out some similar administrative activities, so cost savings are possible under this option.

If the State wished to make a more comprehensive structural change, it could place responsibility for providing, servicing, and guaranteeing loans and providing grants under one agency. The Governor's Management Study made a similar proposal in 1970 when it recommended centralizing all student loans and grants available from the State in the SEAA. This could eliminate duplicative administrative functions of the four agencies. It also could reduce any confusion which some students and parents may now experience because of the fact that several agencies are involved in helping students obtain financial assistance.

### Library Services

The State has determined that it is important to provide library services throughout Virginia because they contribute to the educational and cultural enrichment of its citizens. Two agencies are now carrying out these services, which may thus be unnecessarily fragmented.

The Virginia State Library (VSL) is the library agency of the Commonwealth. It manages a general reference and research library which is the official repository of State documents. It provides services to all public libraries throughout the State, including consultative assistance, distribution of State and federal library funds, and operation of an interlibrary loan center. In addition, it promotes library services in unserved areas.

The Department for the Visually Handicapped (DVH), which provides rehabilitative and other services to the blind and near-blind, also operates a library system. The *Code of Virginia* authorizes the DVH to maintain and operate a library service for the visually and physically handicapped. DVH operates a library in Richmond and also has established eight subregional "mini-libraries." The mini-libraries

# Education

Potential Structural Problem	Agencies	Expenditure on Activity in FY 1981	Related Summary from Executive Agreement	Previous Recommendations	Area for Further Consideration
<b>FINANCIAL ASSISTANCE FOR HIGHER EDUCATION</b>					
Fragmentation in providing, collecting, and guaranteeing loans and providing grants to students enrolled in institutions of higher education.	State Council of Higher Education for Virginia (SCHEV)	\$11,066,540	SCHEV will make a comprehensive study of student financial assistance.	Two studies recommended that consolidation of student finance agencies not occur. Another study recommended that their administrative functions be consolidated. Still another report recommended that the apparent duplication of grant activities be studied. A fifth study recommended that all loan and grant functions be placed in the SEAA.	Merging student financial assistance activities would consolidate like administrative functions and simplify access for individuals who wish to obtain financial assistance.
	State Education Assistance Authority (SEAA)	\$ 498,799			
	State Department of Health	\$ 119,402			
	Virginia Education Loan Authority	NA			
<b>LIBRARY SERVICES</b>					
Fragmentation in providing state-wide library services, such as loaning books and tapes.	Virginia State Library (VSL)	\$1,579,077	None	One study recommended placing the DVH library services under the VSL. Another report recommended a study be done to explore the cost savings and client benefits of merging the DVH library system with the VSL system.	Placing the DVH library system under the VSL would consolidate all library services under one agency.
	Department for the Visually Handicapped (DVH)	\$ 290,953			

## LEGEND:

NA: Involved in the activity but specific expenditure data are not available.  
 --: Not currently involved in the activity.

are rooms in public libraries which contain casset players, tapes, braille books, and other materials which clients can borrow. Staff in the Richmond library send out similar materials to individuals in unserved areas of the State. They also maintain a computerized inventory of loaned items, oversee the volunteers who inspect books and record materials, and evaluate the services of the subregional libraries.

Thus, the State is operating two library services -- one for the sighted and one for the non-sighted. If consolidation of library services is a concern, library services for the blind could be operated through the VSL. In most other states, library services for the blind are operated by the State library agency or the education department.

The State could consolidate all library services under VSL. This change, which was recommended by the Commission on State Governmental Management in 1976, would place all library services under the agency whose primary mission is the provision of these services.



## HUMAN RESOURCES

*Activities in this secretarial area focus on the provision of services and financial assistance to prevent and treat physical, mental, and social disabilities. Its agencies provide health, rehabilitative, adjustment, and social services to clients, advocate for certain groups, provide job training, regulate health practitioners, and provide financial assistance to clients.*

### HISTORY AND SCOPE

This secretarial area is composed of 14 independent agencies and 56 other bodies (Figure 5). After Education, this area has the second highest number of employees of all the functional areas. It has four large agencies: the Department of Mental Health and Mental Retardation, which has over 11,000 authorized employees; and the Departments of Health, Social Services, and Rehabilitative Services. It also has six agencies which each have less than 20 authorized employees.

Since this secretarial area was created in 1972, several new independent agencies have been placed in it:

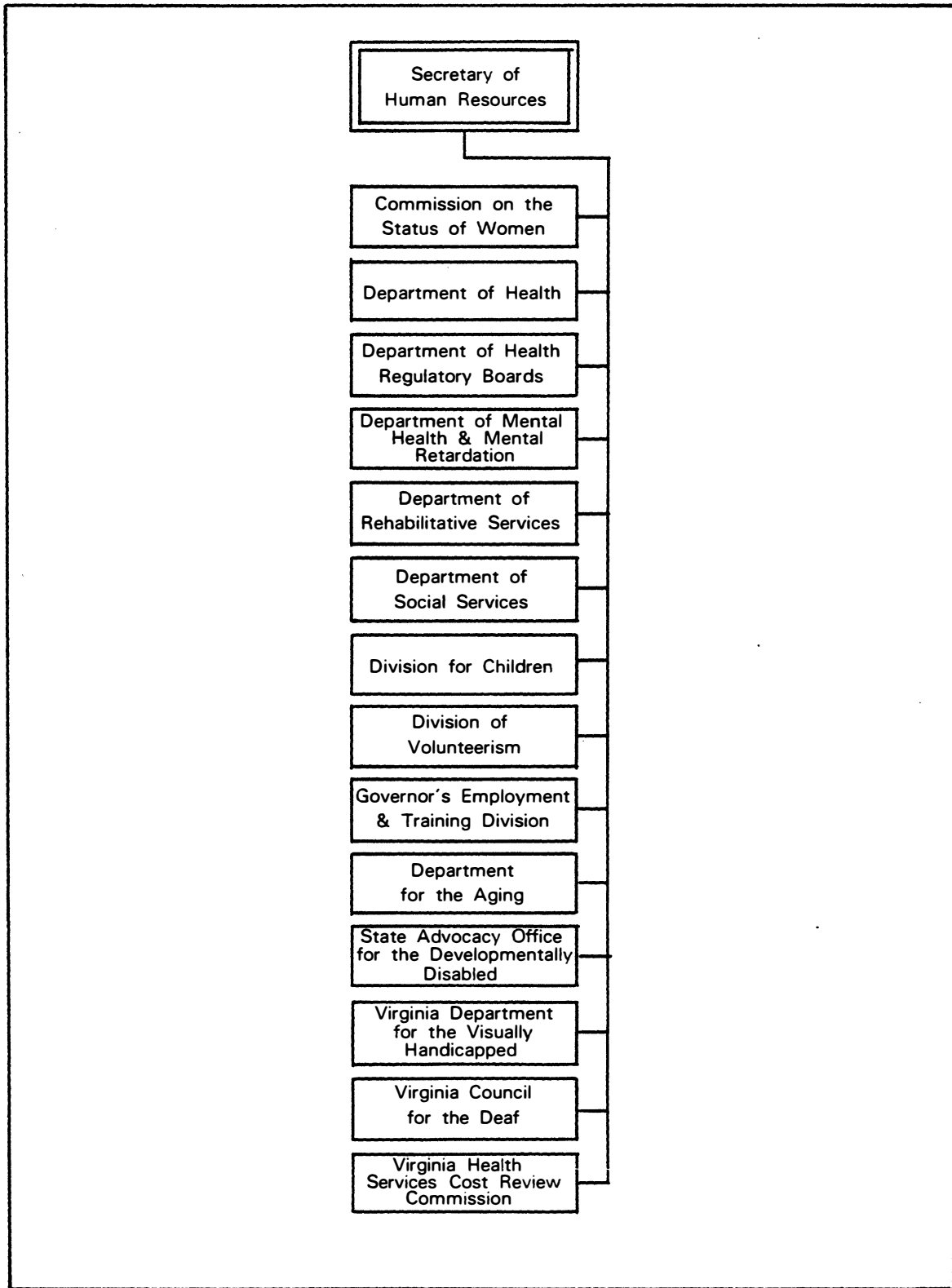
- Division for Children
- Division of Volunteerism
- Department for the Aging
- State Advocacy Office for the Developmentally Disabled
- Department of Health Regulatory Boards
- Virginia Health Services Cost Review Commission
- Department of Rehabilitative Services, and
- Governor's Employment and Training Division

Two agencies have undergone major structural changes. Up to 1974, social services were provided by the Department of Welfare and Institutions. In 1974, the two functions were split. A Department of Social Services was created under the Human Resources Secretary, and Corrections was placed under the Public Safety Secretary.

In 1983, the Governor's Employment and Training Division was given responsibility for administering nearly all of the State's employment training activities under the federal job training act. These activities were previously carried out by the Virginia Employment Commission, which was moved to the Commerce and Resources secretarial area in 1983.

Figure 5

## Human Resources Secretarial Area



**Area also includes:**

- 19 dependent administrative agencies, such as the Northern Virginia Mental Health Institute and the Rehabilitation Center for the Blind
- 36 collegial and other bodies, such as the Board of Nursing and the Board of Health

The goal of many of these agencies, particularly the service delivery ones, is to assist individuals and families so they can eventually become self-sufficient. However, other human resource agencies have different goals. Some advocate for a particular group, such as children and deaf individuals; others regulate health professionals and review hospital costs.

## STRUCTURAL TARGETS

Six broad subject areas were identified in the Human Resources secretarial area, each of which contains one or more specific structural targets. They are financial assistance, service support, social services, employment services, regulation and licensure, and social service planning, research, and advocacy.

Special attention should be devoted to the Department of Health and the number of times its activities appear as part of a potential structural problem. In nine instances there appear to be duplication and/or fragmentation of effort between the Department and other agencies of the State.

### Financial Assistance

Two agencies administer an auxiliary grants program for their clients. These grants are State and local monies paid to persons whose federal supplemental security income payments are not enough to cover their care. It is important that the payments be monitored to ensure that uniform procedures are used and that payments are made to eligible individuals.

The Department for the Visually Handicapped (DVH) provides auxiliary grants to its blind clients who qualify. DVH reimburses local welfare departments (who pay the clients directly), monitors cases, and audits local financial records. The Department of Social Services (DSS) provides these grants to the aged and disabled who must live in homes for adults. DSS carries out the same activities as those described for DVH. The two agencies together develop policies and procedures which the local welfare departments use to give out the grants.

Since the DVH and DSS are carrying out the same programs for different clients, from an administrative point of view duplication and fragmentation are potential problems. Excessive costs may result because both agencies have personnel who are monitoring, auditing, and performing other parallel activities. In addition, local welfare departments must deal with two rather than one agency at the State level regarding the program.

# Human Resources

Potential Structural Problem	Agencies	Expenditure on Activity in FY 1981	Related Summary from Executive Agreement	Previous Recommendations	Area for Further Consideration
<b>FINANCIAL ASSISTANCE</b>					
Duplication and fragmentation in the administration of the auxiliary grants program, which are State and local funds paid to aged, blind, and disabled persons.	Department of Social Services (DSS)	\$4,440,268	None	One report recommended assessing the potential cost savings and client impacts of placing all auxiliary grant administration under the DSS.	Placing all responsibility for auxiliary grant administration under the DSS could result in cost savings and simplified administrative procedures.
	Department for the Visually Handicapped	\$ 902,239			

**LEGEND:**

NA: Involved in the activity but specific expenditure data are not available.  
 --: Not currently involved in the activity.

If this responsibility were placed in one agency, several benefits could occur. First, the procedures for local welfare departments would be simplified because they would not have to work with two State agencies for this program. Second, cost savings might occur because only one set of personnel at the State level would be involved.

The General Assembly could consider placing all responsibility for this activity under DSS because it already carries out by far the greatest portion of this grant program. The Department of Planning and Budget recommended in 1982 that such an option be studied further.

An additional factor should be considered, however, regarding any proposed changes to DVH. Currently, the blind and visually handicapped receive many State services from one location. The blind and their advocates have argued that the blind population has special problems with mobility and that moving between several locations to apply for and receive services may present an insurmountable burden. Therefore, when considering structural changes affecting the DVH, primary consideration should be given to those options which maximize accessibility as well as administrative efficiency.

### Service Support

Two agencies, one in this secretarial area and another under the Education Secretary, are involved in promoting volunteer activities. It is important for the State to promote volunteer efforts because they can augment the services that are currently provided by State agencies with a smaller expenditure of funds than if staff had to be hired.

There are two structural concerns here. First, the Division of Volunteerism (DOV) may be misaligned under the Secretary of Human Resources, because all State agencies are potential beneficiaries of the Division's services. DOV, which has four authorized positions, collects and disseminates information on volunteerism and provides technical assistance to State, local, and private agencies in volunteer program development. Its clients include the Department of Social Services and the Department of Corrections. The Administration and Finance secretarial area is the usual location for agencies which provide services to other State agencies. In fact, volunteer promotion was carried out within that area up to 1979.

Second, DOV and the Center for Volunteer Development (CVD) at Virginia Polytechnic Institute and State University may be duplicating some activities. CVD, which is located in Blacksburg and has a staff of eight, started operations in 1980 with private foundation funding. This organization encourages faculty and staff at Virginia institutions of higher education to become involved in volunteerism. Through an outreach program, over 100 local extension agents give technical assistance to volunteers from local groups and from State agencies.



# Human Resources

Potential Structural Problem	Agencies	Expenditure on Activity in FY 1981	Related Summary from Executive Agreement	Previous Recommendations	Area for Further Consideration
<b>SERVICE SUPPORT</b>					
Fragmentation in the promotion of volunteerism in State and local agencies and the private sector.	Division of Volunteerism (DOV)	\$153,924	The memorandum of understanding between DOV and CVD will be updated in FY 1983.	One study recommended that the roles of DOV and CVD be clarified to eliminate any duplicative activities.	The Virginia Tech center may be phased out or State funding of activities there could cease. This would focus State funding for volunteer promotion activities under one State agency.
	Virginia Tech Extension-Center for Volunteer Development (CVD)	NA			
Inappropriate alignment of the Division of Volunteerism under the Secretary of Human Resources	Division of Volunteerism (DOV)	\$153,924	None	One study recommended that volunteer promotion activities be placed in an agency under the Secretary of Human Resources.	Moving DOV under an agency in the Administration and Finance Secretariat would reduce the number of State agencies, align volunteer activities with other personnel-oriented activities, and place these activities under the secretarial area which provides
	Secretary of Human Resources	NA			
	Secretary of Administration and Finance	--			

**LEGEND:**

NA: Involved in the activity but specific expenditure data are not available.  
 --: Not currently involved in the activity.

Although CVD started with total grant funding, state funding has progressively increased since the first year, and grant funds will soon terminate entirely. According to officials at CVD, the future status of the Center is unclear because of the uncertainty of available funding.

Two options are available to address these structural concerns. First, the Division of Volunteerism could be placed under the Secretary of Administration and Finance. This change would correctly align DOV under the secretarial area which is responsible for providing services to other State agencies. The Division could retain its individual status or be placed in an agency such as the Department of Personnel and Training (DPT). Since DPT is already responsible for overseeing personnel activities of State agencies, it is aware of agencies' needs for assistance and could assist in communicating these to the volunteer promotion staff. The small volunteer staff could draw upon DPT staff for administrative support and large projects. If individual agency status is desirable for the agency, administrative support could be provided by another larger agency in the secretarial area, such as DPT or a Department of Administrative Services as proposed in An Assessment of the Secretarial Structure in the Commonwealth of Virginia.

Second, the General Assembly should take steps to ensure that duplication does not occur between the two volunteerism agencies. As recommended in the JLARC Review of the Virginia Division of Volunteerism (December 1983) this could be accomplished through a strengthened memorandum of understanding, limiting activities to those consistent with the extension mission, and limiting the center's funding to non-State sources.

### Social Services

Several agencies in the Human Resources secretarial area provide various social services to their clients, often with the goal of making them more self-sufficient. In some cases, more than one agency is involved in providing similar services to clients, such as determining eligibility and providing or contracting for services. Excessive administrative costs may result, because personnel in two agencies are carrying out similar functions. It may also be burdensome for local agencies to have to deal with two rather than one State agency for certain programs.

*Rehabilitative Services.* Two agencies provide rehabilitative services to disabled individuals. The Department for the Visually Handicapped (DVH), which has existed since 1922 although under two other names, provides rehabilitative services to persons who are severely visually handicapped. It provides adjustment counseling, vision exams, teaching, and job placement services; helps clients obtain restorative services such as surgery; provides vocational training; and operates two sheltered workshops.

# Human Resources

Potential Structural Problem	Agencies	Expenditure on Activity in FY 1981	Related Summary from Executive Agreement	Previous Recommendations	Area for Further Consideration
<b>SOCIAL SERVICES</b>					
Fragmentation in providing services such as transportation, legal aid, home health, and chore services to the elderly.	Department for the Aging (DFA)	NA	None	Two studies recommended that consideration be given to combining DFA with a broader agency such as DSS. Another study recommended that the aging agency remain a separate entity.	Merger of DFA with DSS could result in cost savings and reduce the number of State agencies.
	Department of Social Services (DSS)	NA			
Fragmentation in administering Title XX services, such as day care, transportation, foster care, counseling, and companion services.	Department of Social Services (DSS)	NA	None	One report recommended that a study be done to determine the cost savings and effect on clients if all responsibility for administering Title XX services was placed in DSS.	Placing all responsibility for administering Title XX services in DSS could result in administrative savings and simplified administrative procedures.
	Department for the Visually Handicapped	NA			
Duplication and fragmentation in providing counseling, adaptive skills, and other rehabilitative services to clients who are disabled, deaf, and visually handicapped.	Department of Rehabilitative Services (DRS)	\$21,028,920	None	Two studies recommended that most of DVH's activities be merged with DRS, while one report recommended that the apparent duplication of rehabilitative services between DVH and DRS be studied. Still another study recommended that no merger occur.	Bringing together the rehabilitative services offered by DVH with DRS could result in administrative savings.
	Department for the Visually Handicapped (DVH)	\$ 2,802,040			

79

**LEGEND:**

NA: Involved in the activity but specific expenditure data are not available.  
 --: Not currently involved in the activity.

The Department of Rehabilitative Services (DRS) whose functions were once carried out by the Department of Education, is responsible for providing rehabilitative services to all physically and mentally handicapped persons (its clients may also be deaf and/or visually handicapped). It carries out services similar to those mentioned above for DVH: DRS helps clients obtain restorative services; provides counseling, personal adjustment services, and job search skills; and purchases sheltered workshop services.

The two agencies have a service agreement whereby, for example, if DRS receives an individual whose vision is worse than a specified level, it refers the person to DVH. If an individual meets the visual criteria for services from DVH but also has another physical disability, DVH must coordinate the needed services with DRS.

Federal regulations allow States to establish a separate agency to provide services to the blind. Ten states appear to have established such separate and single agencies. Approximately 22 states have established distinct units within larger agencies to deliver visually handicapped services. Approximately 18 states have organizational structures that merge visually handicapped services with other services. Authorities in the Federal Rehabilitative Services Administration, however, feel that in providing effective services to the blind population, the specific organizational structure is not as important as the existence of a separate plan to rehabilitate the blind.

*Title XX.* Two agencies administer Title XX services, a section of the Social Security Act of 1974 which provides federal funds for social services. The Virginia Code specifies that both the Department of Social Services (DSS) and the Department for the Visually Handicapped (DVH) are responsible for administering Title XX services.

DSS provides reimbursements to local welfare departments for purchasing services such as counseling, day care, transportation, and companion services to sighted clients. DSS reviews local welfare departments' budgets, develops a State Title XX plan, monitors the delivery of services, and audits local financial records.

DVH provides Title XX services to visually handicapped clients. These services may include occupational adjustment, day care, and companion services. It also carries out the same types of activities as those described above for DSS. In terms of money expended and clients served, DVH has a much smaller role than DSS.

*Services to the Elderly.* A related concern involves the Virginia Department for the Aging (VDFA) and the Department of Social Services (DSS), both of which provide services to the elderly.

VDFA, in carrying out the federal Older Americans Act, purchases services for non-indigents who are 60 years of age and older. The services, which include legal aid, escort, health, and chore

services, are provided by the local area agencies on aging. VDFA gives technical assistance to the local agencies, reviews their budgets, contracts for the services, and supervises their delivery.

DSS administers similar types of services to the elderly who are indigent. This responsibility comes under the agency's administration of Title XX services, which was previously discussed. DSS conducts activities similar to those of the VDFA: it reviews the budgets of local welfare agencies, contracts for services, and supervises the delivery of the services.

The placement of agencies for the aged is not uniform among states. In 22 states, units for the aging are within a large human service or other agency. Nine states have free-standing administrative agencies, and eight states have assigned responsibilities to independent boards outside of the executive branch. Five states have units located within the Governor's office.

*Options for Change.* If rehabilitative services, Title XX administration, and services to the elderly were realigned, a number of administrative benefits could ultimately result. In pulling units with like functions together, the number of State agencies would be reduced and administrative procedures for local agencies would be simplified.

If the General Assembly wished to make only a minimal change, a minor realignment would be to place all responsibility for the administration of Title XX services under DSS, since it currently has a much greater share of responsibility for these services than does DVH. The Department of Planning and Budget recommended in 1982 that a study be conducted to ascertain the cost savings and impact on clients of making this change.

If more substantial changes are desired, some smaller agencies could be merged with larger existing agencies which carry out similar activities. Under this option, DVH could be brought under DRS and the Department for the Aging could be placed in a separate division under DSS. The Commission on State Governmental Management recommended in 1976 that many of DVH's programs (including rehabilitative services) be merged with DRS and that the aging agency be moved to a broad social services agency.

Even more major reorganizations could be carried out. The Commission on State Governmental Management also recommended in 1978 that the number of human resource agencies be reduced to four. Its proposed agencies and major functions of each were:

- Department of Rehabilitative Services -- to include the Departments of MHMR, Visually Handicapped, and Vocational Rehabilitation; Council for the Deaf; and SDH's drug and alcohol programs.

- Department of Economic Security -- to include DSS' financial assistance, DVH's financial assistance, SDH's Medicaid, and VEC's unemployment insurance.
- Department of Health -- to include conventional health services and regulation of medical professions.
- Department of Social and Employment Services -- to include DSS' Social Services, DVH's social services, agencies for children, aging, and women; VEC's employment services; and volunteer services.

According to the Commission, reorganization of this scope could produce a number of benefits for the State. First, reducing the number of human resource agencies could make it easier for clients with multiple needs to deal with the State. Second, administrative efficiencies could be achieved because fewer top management personnel would be needed and costs for accounting and computer systems could be reduced. Third, the structure of State government would be streamlined by reducing the number of agencies. Fourth, some activities that must now be carried out separately because there are so many human resources agencies would be carried out by fewer agencies. For example, at the present time four human resource agencies are funding and administering sheltered workshops in the State. If the number of agencies was reduced, the separate functions that each now carries out to administer the workshops, such as developing policies, accounting, and monitoring, would be unified.

#### Employment Assistance Activities

Several agencies in the Human Resources secretarial area provide assistance to individuals in finding employment. Agencies such as the Department of Rehabilitative Services and the Department for the Visually Handicapped provide placement services to their physically and/or mentally disabled clients, in addition to guidance, counseling, and vocational training. Thus, job assistance is only one of many social services that these clients obtain, and it is obtained as part of the rehabilitation process.

The major purpose of the Governor's Employment and Training Division (GETD), on the other hand, is to provide programs to prepare individuals for entry into the labor force. Given this strong employment focus, the GETD may be better placed under the Secretary of Commerce and Resources, which is also the new location of the State's major employment agency (the Virginia Employment Commission).

In 1983, the GETD assumed responsibility for administering the federal job training program (CETA), which provides programs to prepare unskilled and disadvantaged individuals for entry into the workforce. CETA was previously administered by a division of VEC. GETD oversaw a transition from CETA to the new Job Training Partnership

# Human Resources

Potential Structural Problem	Agencies	Expenditure on Activity in FY 1981	Related Summary from Executive Agreement	Previous Recommendations	Area for Further Consideration
<b>EMPLOYMENT ASSISTANCE ACTIVITIES</b>					
Inappropriate alignment of the Governor's Employment and Training Division, which administers job training programs, under the Secretary of Human Resources.	Governor's Employment and Training Division (GETD)	\$6,595,694*	None	None	Moving GETD to the Commerce and Resources secretarial area could enhance communication of job training needs between GETD and other labor and economic development agencies.
	Secretary of Human Resources	NA			
	Secretary of Commerce and Resources	--			

**LEGEND:**

NA: Involved in the activity but specific expenditure data are not available.  
 --: Not currently involved in the activity.

\*Expenditures are for the former Governor's Employment and Training Council, whose mission and budget were substantially increased in 1983.

Act (JTPA), which became effective in October 1983. GETD is responsible for various administrative functions in implementing the new program, such as fiscal control, fund allocation, audits, recordkeeping, and provision of technical assistance to providers. It also serves as staff to the new Governor's Job Training Coordinating Council, which approves local job training plans.

The Virginia Employment Commission (VEC), which moved in 1983 from the Human Resources secretarial area to Commerce and Resources, also provides services to individuals who wish to find employment. VEC refers individuals to and places them in jobs, and it operates the unemployment insurance program, under which the State collects unemployment taxes in order to pay unemployed individuals who qualify. VEC is also responsible for operating a portion of the new JTPA, such as employment and training assistance to workers who have been laid off and have little chance of returning to their former jobs. VEC submits the plans for its JTPA programs to the Governor's Council.

Many states carry out these employment assistance activities under one agency and/or functional area. If GETD were moved to the Commerce and Resources secretarial area, communication of job training needs and programs could be enhanced among several agencies, including GETD, VEC, and the Division of Industrial Development.

#### Regulation and Licensure

Three agencies in the Human Resources secretarial area and one under Education are engaged in licensing and inspecting public facilities such as nursing homes, group homes, and hospitals. These oversight activities ensure that the facilities are fit for human habitation. However, these activities may be unnecessarily fragmented. In some cases, two agencies must inspect the same facility. Unnecessary costs may result because four personnel and administrative systems support similar regulatory activities.

In public facility regulation, the State Department of Health (SDH) has the largest role. One unit in SDH regulates hospitals, nursing homes, and home health agencies. Another unit regulates hotels, motels, campgrounds, swimming pools, and restaurants. To regulate these facilities, SDH develops regulations, conducts inspections, trains inspectors, issues licenses, and provides consultative services. It also certifies health facilities for Medicare and Medicaid participation under the Social Security Act.

The Department of Social Services (DSS) oversees adult and child day care centers, homes for adults, childrens' residential facilities such as group homes, and private child placement agencies. It develops standards, trains specialists who carry out inspections, issues and revokes licenses, investigates complaints, monitors compliance, and gives technical assistance to providers.



# Human Resources

Potential Structural Problem	Agencies	Expenditure on Activity in FY 1981	Related Summary from Executive Agreement	Previous Recommendations	Area for further Consideration
<b>REGULATION AND LICENSURE</b>					
Duplication and fragmentation in licensing and inspecting nursing homes, day care centers, and other public facilities.	State Department of Health (SDH)	\$1,294,464	None	Four studies have suggested that there is some duplication in State human resource licensure activities and have proposed various solutions, including transferring most responsibilities to the SDH.	Placing all licensure and inspection activities under one agency could result in improved coordination of licensure activities and eliminate duplicative visits to facilities by inspectors.
	Department of Social Services	\$ 491,445			
	Department of Mental Health and Mental Retardation	\$ 96,400			
	Department of Education	\$ 75,202			

**LEGEND:**

NA: Involved in the activity but specific expenditure data are not available.  
 --: Not currently involved in the activity.

In some cases, SDH and DSS have jurisdiction over the same facility. For example, if a nursing home and a home for adults are located together in one facility, SDH licenses and inspects only the nursing home section; DSS does the same for the home for adults.

The Department of Mental Health and Mental Retardation (DMHMR) carries out the same types of activities to regulate community mental health centers, group homes, and other facilities which provide care to the mentally ill, mentally retarded, and substance abusers.

The Department of Education carries out similar activities as the regulator of private schools for the handicapped.

Some states which already have several human resource functions under one agency (mental health, social services, health, and others) have also placed their health-related regulation of public facilities under the agency. This action minimizes the potential for coordination problems.

Since the mid-1970s, at least four reports have pointed to the need to coordinate or consolidate the licensure activities of State agencies. The State has taken a step in this direction by establishing an Interdepartmental Licensing and Certification Coordination Unit, which coordinates the licensing of childrens' residential facilities. The State could take even further steps, and two options are apparent.

First, all regulation of human service-oriented public facilities could be moved to SDH. A similar suggestion was made by a human resources task force in 1978. This change would consolidate these functions under the agency which already has the most responsibility for regulating public facilities.

Second, a new agency oriented toward licensing and regulation could be created. The 1978 task force suggested that this option be studied further. Such an agency could also include other regulatory activities such as occupational and professional regulation.

#### Social Service Planning, Research and Advocacy

Several agencies in this secretarial area are engaged in social services research, planning, and advocacy. Some of the agencies actually deliver services to clients; others are primarily advocates for certain groups, such as children. All of these agencies, whether service providers or not, collect data, write reports, disseminate information, and evaluate the services which are being carried out by their own or other agencies. It is important to the Commonwealth that these activities be carried out, because they help ensure that services are effectively being provided.

Some of these agencies, especially the advocacy and non-service providers, are very small. Each agency provides its own administrative support, which, as discussed under the "small agencies"

# Human Resources

Potential Structural Problem	Agencies	Expenditure on Activity in FY 1981	Related Summary from Executive Agreement	Previous Recommendations	Area for Further Consideration
<b>SOCIAL SERVICE PLANNING, RESEARCH AND ADVOCACY</b>					
Duplication and fragmentation in Social Services Research, Planning, and Coordination.	Department of Rehabilitative Services (DRS)	\$2,509,552		One study recommended a major reorganization of human services agencies, placing most planning and advocacy agencies under DSS; and CFD and DVH under DRS. Another recommended that no consolidations occur, except for a merger of DVH and CFD.	Consolidating the social planning and advocacy agencies under broader agencies could result in cost savings and improved management coordination and would reduce the number of State agencies.
	Division for Children	\$ 407,655			
	Council for the Deaf (CFD)	\$ 230,374			
	Commission on the Status of Women	\$ 19,401			
	Department of Social Services (DSS)	NA	None		
	Department for the Aging	NA			
	Department for the Visually Handicapped (DVH)	NA			
	State Department of Health	NA			
Department of MHMR	NA				

**LEGEND:**

NA: Involved in the activity but specific expenditure data are not available.  
 --: Not currently involved in the activity.

area, may detract from the ability of each to carry out mandated responsibilities. Administrative structures may also be unnecessarily duplicated. Activities may be similar to those carried out by the direct service providers because, in some cases, one agency provides the service to a group while another agency advocates for the group.

These small advocacy agencies, which were all initially created in the 1970s, are:

- Commission on the Status of Women (one employee) -- makes studies, educates the public on women's issues, makes recommendations on legislation.
- Council for the Deaf (8 employees) -- disseminates information on deafness, studies the effects of deafness, advocates for the deaf.
- Advocacy Office for the Developmentally Disabled (5 employees) -- resolves disputes, mobilizes consumers and advocates for the developmentally disabled.
- Division for Children (16 employees) -- studies the needs of children; evaluates, coordinates, and monitors State programs for children; provides technical assistance to agencies.

Each State is required to establish a system to advocate for developmentally disabled persons. The functions of the three other agencies are not required by federal mandate.

The Department for the Aging, which has 27 employees, was made an independent agency in 1974. It carries out some activities similar to the advocacy agencies (coordinates programs for the elderly, writes reports on the problems of the elderly, and disseminates information to the public), but it also administers and evaluates programs for nutritional, transportation, and other services.

Another entity with an advocacy role, the Commission on Indians, was created by the 1983 General Assembly. The Commission, which is a collegial body currently without staff, is to study and research the Indian tribes in the Commonwealth and to make recommendations to the Governor and General Assembly.

Other states have placed their advocacy and aging units in a variety of organizational structures. Some are in separate agencies, but others are placed under the state social services, health, or comprehensive human resources agency.

Other agencies which do planning and research also provide services to clients. The Department for the Visually Handicapped (DVH) plans and evaluates in conjunction with its services, which include

vision evaluation, counseling, and vocational training. Most of the very large service-providing agencies (Department of Rehabilitative Services, Department of Social Services, State Department of Health, and the Department of Mental Health and Mental Retardation) have a separate planning and research unit to evaluate the implementation of their services. It is possible that the Division for Children, for example, may collect information and conduct evaluations in a manner similar to these activities in DSS, SDH, and DMHMR.

Several benefits could be achieved by bringing the small agencies together in some way. Administrative efficiencies could result from pooled resources. The small agencies would each have access to the pooled staff resources, and the potential for duplicative research activities would be lessened.

Several options for reorganization could be considered. First, the smaller agencies could be merged with larger agencies. The agencies for women and children could be placed under DSS. The aging agency could be placed under DSS in a separate unit (a separate unit is mandated by the federal legislation, though a separate agency is not). The Council for the Deaf could be placed under DRS, since DRS is already responsible for providing services to the deaf. The Commission on State Governmental Management made these recommendations in 1976.

Under a second option, the small advocacy agencies would remain freestanding, but would draw upon a larger existing agency (such as DSS or DRS) for most or all of their support services. This option would allow the small agencies to retain their independence and high visibility.

A third option would be to create a Department of Advocacy Agencies, which would consist of the present agencies for women, children, the deaf, and the State Advocacy Office for the Developmentally Disabled. (By federal law, the Advocacy Office must be independent of the State agencies which provide direct services to disabled persons. However, it could be contained in an agency with other entities which do not provide direct services.) If the Commission on Indians should become a staffed agency, it would also be included here. As with the second option, this would alleviate concerns that the activities of these agencies would not receive sufficient attention or have enough visibility in a large agency such as DSS. Advocacy for additional groups or concerns could also be achieved through this structure if the General Assembly so decided.



## **PUBLIC SAFETY**

*The Public Safety secretarial area focuses on activities which maintain the safety of the citizens of the Commonwealth. The principal goals of this area are to protect the public by incarcerating offenders, improve the criminal justice system by providing training and other assistance, and preserve law and order by enforcing criminal, traffic, and alcoholic beverage laws.*

### HISTORY AND SCOPE

This secretarial area is composed of seven independent agencies and 36 other entities (Figure 6). Twenty-two of the other entities are correctional institutions. The largest agency is by far the Department of Corrections, followed by the Department of State Police and the Department of Alcoholic Beverage Control. This area and the position of the Secretary of Public Safety were established in 1976, when the General Assembly authorized the division of a combined Secretariat of Transportation and Public Safety into separate secretariats.

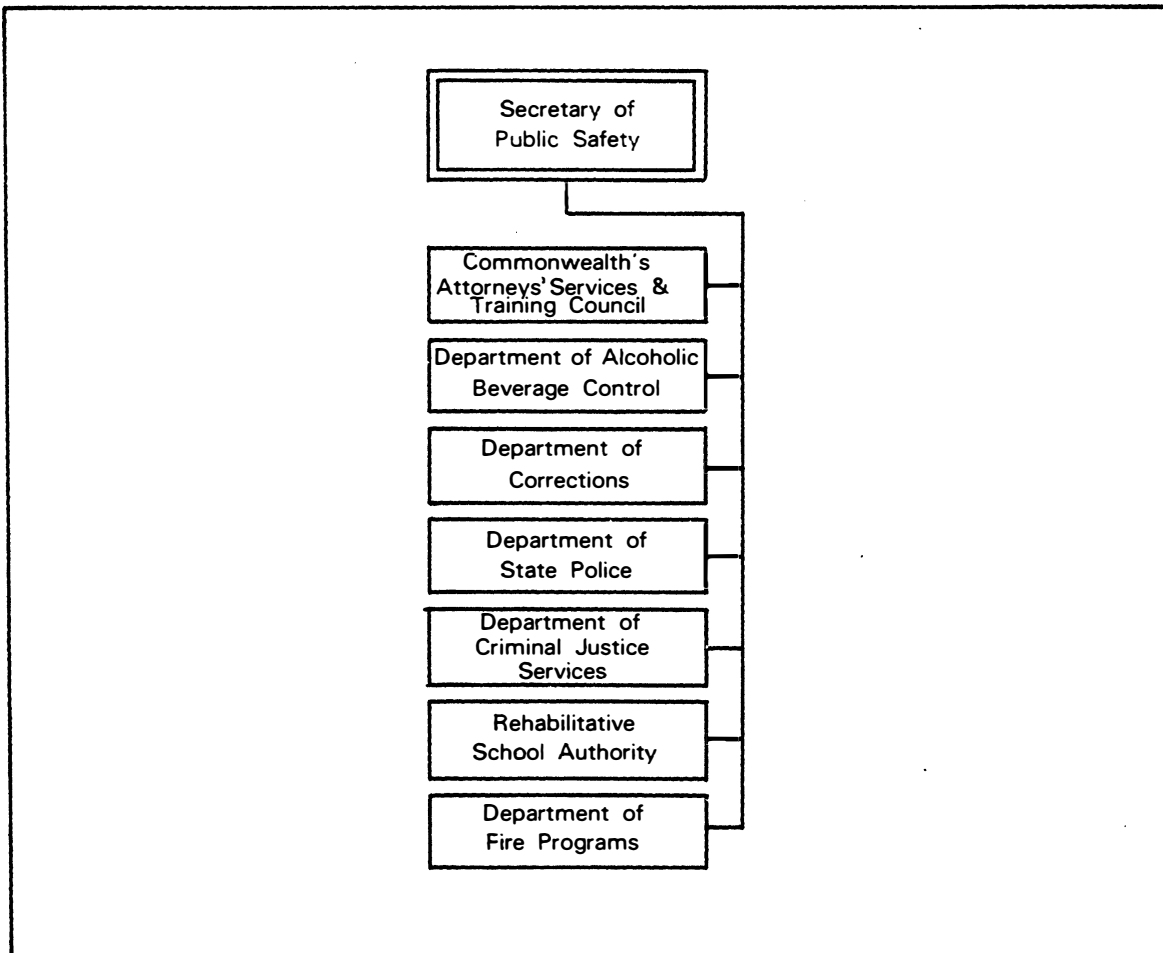
After 1976, the total number of administrative agencies in public safety grew from seven to ten. More recently, the number has dropped back to seven. In 1981, two agencies which dealt with fire services were merged, and two agencies which were oriented to criminal justice services were also consolidated. Finally, the Division of Capitol Police recently was moved to the legislative branch.

Another agency, the Department of Corrections, underwent a major change before the separate Public Safety Secretary was established. From 1948 to 1974, corrections activities were carried out by a division of the Department of Welfare and Institutions (DWI). Services for youth offenders were also placed under DWI in 1950. The Parole Board, however, was a separate agency. After subsequent studies recommended a reorganization, welfare and institutions were split. In 1974, a new Department of Corrections was formed which includes youth and adult corrections, and probation and parole services.

Unlike some secretarial areas, all the agencies in this area have a similar orientation -- protection of the public. They carry out a variety of activities to achieve this goal: they incarcerate convicted felons; enforce highway laws; provide training to firefighters, commonwealth's attorneys, law enforcement personnel, and jail staff; maintain information on criminals; and enforce laws dealing with the manufacture, sale, and possession of alcoholic beverages.

Figure 6

## Public Safety Secretarial Area



### Area also includes:

- 25 dependent administrative agencies, such as the Brunswick Correctional Center and the Hanover Learning Center
- 10 collegial and other bodies, such as the Virginia Parole Board

Because of the small number of agencies in this area and the two recent mergers of agencies dealing with criminal justice services and fire programs, the need for structural change is limited. Only one structural target was identified in the Public Safety area.

### STRUCTURAL TARGET

The one structural target identified in this area relates to the independent status of the agency which educates juveniles and adults who are confined in correctional institutions.

## Public Safety

Potential Structural Problem	Agencies	Expenditure on Activity in FY 1981	Related Summary from Executive Agreement	Previous Recommendations	Area for Further Consideration
EDUCATION OF INMATES					
Inappropriate alignment of the Rehabilitative School Authority, which is an independent agency responsible for the academic and vocational training of juveniles and adults confined in correctional facilities.	Rehabilitative School Authority (RSA)	\$6,083,923	Both agencies will study management procedures to maximize the involvement of inmates in educational programs.	One study suggested that the RSA be placed under the DOC. Another report recommended that further study of the relationship between the RSA and the DOC be carried out.	Placing the RSA under the DOC to improve access for inmates to academic and vocational training programs should be further assessed.
	Department of Corrections (DOC)	\$ --			

### LEGEND:

NA: Involved in the activity but specific expenditure data are not available.

--: Not currently involved in the activity.



## Education of Inmates

The Rehabilitative School Authority (RSA) is an independent agency which provides academic and vocational training to the juveniles and adults confined in the State's correctional institutions and field units. It was established as an independent agency in 1974, when the Department of Corrections (DOC) was created. Staff of the RSA are involved in planning and developing instructional programs, teaching inmates, managing the 53 RSA schools, and training teachers. They must work continually with the DOC staff to coordinate instructional schedules, provide security, and assign inmates to classes.

The RSA may not be properly aligned as an independent agency. In 1981, a task force studied the working relationship of the two agencies and recommended that RSA be placed under DOC because the existence of two separate agencies had set up "an awkward and tortuous administrative structure." The task force maintained that cooperation was dependent on the personalities of the staff involved, that differences of opinion existed between the two agencies' staffs on student time allocations and involvement in disciplinary actions, and that budget allocations for physical plant upgrading and supervision were not sufficient.

In 1978 the Commission on State Governmental Management also pointed to similar problems, and requested that further study of the RSA's relationship to the DOC be carried out.

In addition, the Department of Corrections is currently involved in some educational efforts on its own. The Department carries out a literacy program aimed at teaching inmates who can neither read nor write to do so.

Furthermore, in other instances where the State has institutionalized populations, separate educational agencies have not been created. For example, educational programs for patients in MHMR facilities are provided either by facility staff or by local school districts.

Although moving RSA under DOC has been recommended in the past, the General Assembly should wait until JLARC completes its study of the Rehabilitative School Authority and the Department of Corrections to make decisions in this area.



## TRANSPORTATION

*The transportation secretarial area focuses on agencies which plan, regulate, maintain, and construct air, water, and land transportation systems. The principal goals of this area are to provide for ground level mobility, promote the safe movement of people and property, promote aviation and water commerce, and provide for emergency preparedness.*

### HISTORY AND SCOPE

The transportation secretarial area contains six independent agencies and 12 other bodies, making it the area with the smallest number of agencies in the executive branch (Figure 7). This functional area and the position of the Secretary of Transportation were established in 1976, when the General Assembly authorized the division of the Secretariat of Transportation and Public Safety into two separate secretarial areas.

The largest agency in this area is by far the Department of Highways and Transportation, with over 10,000 FTE employees. Except for the Division of Motor Vehicles, which has about 1,700 employees, all the remaining agencies each have fewer than 200 employees.

Since 1976, two agencies have been added and one has been merged into an existing agency in this secretarial area:

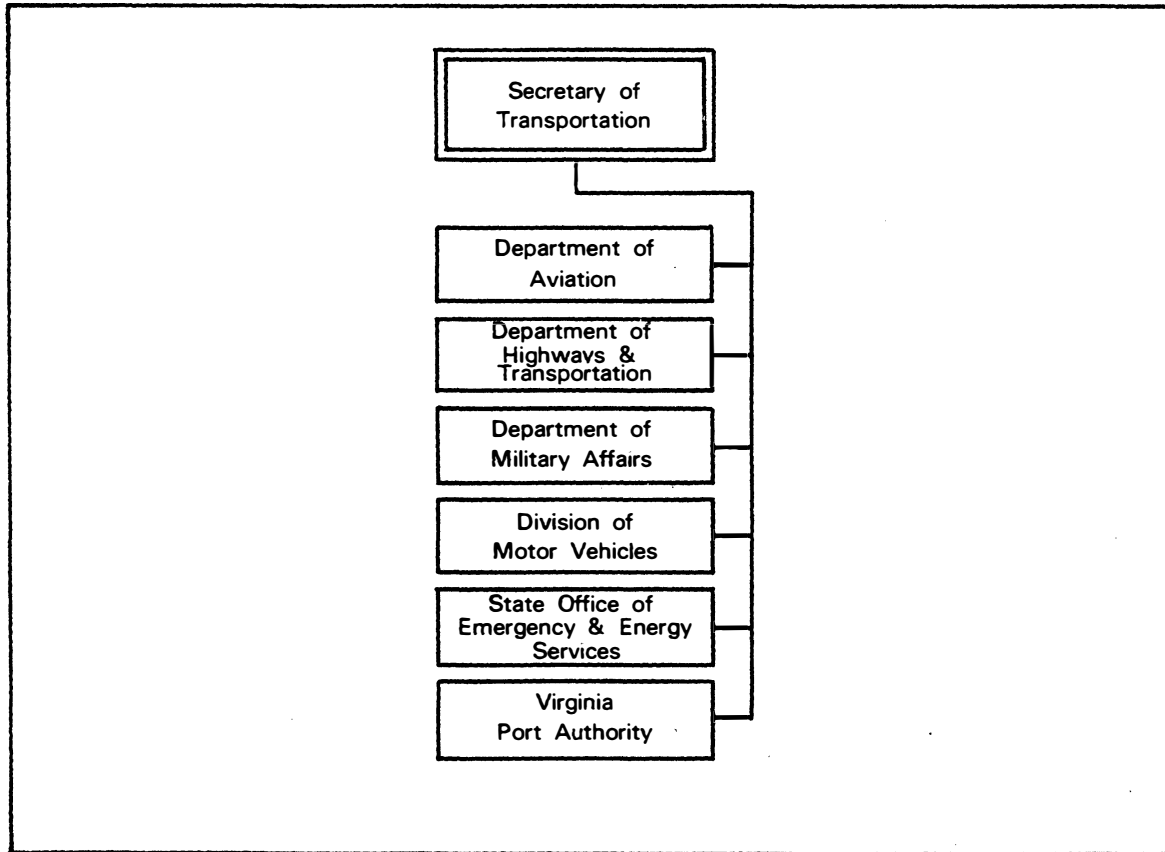
- In 1978, the Virginia Port Authority was moved here from the Commerce and Resources secretarial area.
- In 1979, the Department of Aviation (previously the Division of Aeronautics under the State Corporation Commission) was moved here.
- In 1983, the Department of Transportation Safety was merged with the Division of Motor Vehicles.

The merger of the Department of Transportation Safety (DTS) with the Division of Motor Vehicles (DMV) was a step toward greater efficiency because a small agency was merged into a larger one with related functions. The highway safety functions of the State are now consolidated under one agency. Previously they were fragmented because DTS implemented the alcohol safety program and other safety programs and DMV administered the driver improvement program, which maintains driving records and revokes licenses for traffic violations. Now all these activities are housed in the DMV.

Figure 7

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## Transportation Secretarial Area



**Area also includes:**

- 10 collegial and other bodies, such as the Virginia Aviation Commission
- 1 political subdivision, the Capital Region Airport Commission

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While most of the agencies in this area are oriented toward air, water, or land transportation, two agencies' activities are only marginally related to transportation: the State Office of Emergency and Energy Services carries out emergency planning and training and an energy conservation program; the Department of Military Affairs manages the State's military reserve units. Each of these agencies would be better placed in a different secretarial area.

### STRUCTURAL TARGETS

There are five areas of structural concern in this secretarial area. Two deal with transportation-oriented activities (aviation and vehicle transportation) which appear to be misaligned or

duplicative. Another relates to the fragmentation of responsibility for responding to hazardous materials accidents. The others relate to misalignment of two agencies under this secretary.

### Transportation Activities

Two agencies in this secretarial area are involved in providing transportation services for State agency and other government personnel. In one case, vehicle transportation, these operations appear to be misaligned under one agency. In the other case, air transportation, these operations are carried out by several agencies and appear to be duplicative.

*Vehicle Transportation.* The State has determined that it is necessary to make vehicular transportation available to its employees in accordance with their official duties. Responsibility for this has been placed under the Department of Highways and Transportation (DHT), which operates the Central Garage Car Pool. Vehicles are made available to State employees on both a permanent and an individual trip basis. The DHT operates the Central Garage, purchases all automotive supplies and equipment, and services the vehicles.

The placement of the Central Garage under DHT is inconsistent with the management practices that have been established by the State. Most activities which support the operations of other State agencies are located under the Secretary of Administration and Finance. Moreover, many of these support services, such as purchasing, are under the Department of General Services (DGS), which was established in 1978 to provide State agencies with certain supportive functions.

Three studies have recommended that the Central Garage be moved under DGS. A number of other states have placed their car pool services under their general services agencies. In addition, two JLARC reports have recommended that the Central Garage be made a working capital fund, because this type of accounting mechanism should be set up when an agency provides goods or services to other State agencies.

Moving the Central Garage under DGS appears to be the only appropriate structural change which could be made. This change would accomplish a further unification of many support services under one agency (DGS). Moving the Central Garage to DGS would not preclude the use of DHT maintenance facilities. The vehicles could continue to be serviced at DHT facilities. And while the initial steps have already been taken by the executive branch to establish the Central Garage as a working capital fund account, General Assembly action is necessary to complete this transition.

*Air Transportation.* According to the Department of Aviation, six State agencies own and operate aircraft. Over half of the aircraft are based outside of the Richmond area:

# Transportation

Potential Structural Problem	Agencies	Expenditure on Activity in FY 1981	Related Summary from Executive Agreement	Previous Recommendations	Area for Further Consideration
<b>TRANSPORTATION ACTIVITIES</b>					
Inappropriate alignment of the Central Garage, a subunit of DHT which serves as the central provider of automobiles for State agencies on a short and long term basis.	Department of Highways and Transportation-Central Garage Car Pool	\$7,564,933	None	Two studies recommended that the Central Garage be moved to DGS. Two additional studies recommended that the Central Garage operations be designated a working capital fund.	Placing the Central Garage under the Department of General Services as a working capital fund would consolidate many central support services under one agency.
	Department of General Services (DGS)	--			
Duplication in maintaining and operating State aircraft in the Richmond area.	Department of Aviation (DOA)	\$ 759,224	DOA will prepare a plan for the proposed use, retention, or elimination of State aircraft under its control.	One study recommended that the State's airfleet be centralized and operated along the lines of the Central Garage.	Consolidating all aircraft operations under one agency could result in cost savings.
	Department of Highways and Transportation (DHT)	NA			
	Commission of Game and Inland Fisheries	NA			

**LEGEND:**

NA: Involved in the activity but specific expenditure data are not available.

--: Not currently involved in the activity.

Marine Resources Commission	-- 1 in Weirwood
Virginia Polytechnic Institute and State University	-- 6 in Blacksburg (3 of these are leased)
Commission of Game and Inland Fisheries	-- 1 in Chesapeake, 1 at Richmond's Byrd Airport
Department of State Police	-- 1 each in Dublin, Culpeper, Roanoke, & Portsmouth; 4 in Chesterfield
Department of Aviation	-- 2 at Richmond's Byrd Airport
Department of Highways and Transportation	-- 1 at Richmond's Byrd Airport

In addition, the Governor's Office owns one aircraft which is operated and maintained by the Department of Aviation at Byrd Airport; and the Virginia Institute of Marine Science operates an aircraft which is owned by Naval Air Systems and is based in Newport News.

The location of most of these aircraft could make it difficult to control them centrally. Some centralization may be desirable, however, of the planes which are based in Richmond.

The Department of Aviation (DOA) owns and operates two aircraft. It also operates the one additional plane which is owned by the Governor's Office. The DOA's planes are used for two purposes: (1) to transport State government personnel and business representatives; and (2) to inspect Virginia's 72 airports. DOA also maintains the aircraft of some other State agencies.

DHT has an aircraft division which operates its one aircraft. The plane is used about 25 hours per month for aerial photography, which is necessary for highway planning purposes. It is also used on occasion to transport State personnel, including the Governor. DHT shares its hangar with DOA at Byrd Airport, for which the two agencies split expenses.

When DOA was created in 1979, the idea of transferring DHT's aviation operations to DOA was discussed, but the idea was rejected because DHT staff felt they would not be able to accomplish their aerial photography if they had to share a plane.

The Commission of Game and Inland Fisheries has one aircraft based in Richmond (a second, based in Chesapeake, is used exclusively for law enforcement). The plane in Richmond is specially equipped to take photographs of wildlife habitats. The plane is piloted by a Commission staff employee from the Education Division who has many other duties in addition to flying. The Commission is now studying the possibility of getting rid of this aircraft. The Commission contracts out for the plane's maintenance.

The State is spending funds to administer, own and operate aircraft for these agencies. The number of airplanes and flight staff may be higher than if these agencies pooled their resources. Although it may be difficult to centrally control the planes which are based

outside of Richmond, consideration should be given to transferring all administration, operations, and maintenance of the aircraft stationed at Byrd Airport to the Department of Aviation, which already has a major role in using planes for its programmatic activities and for transporting State personnel.

### Response to Hazardous Materials Emergencies

Four agencies are responsible for overseeing the transportation of hazardous materials within the State and for responding to incidents in which these materials are discharged. The responsibilities of two of these agencies appear to be unnecessarily fragmented.

The responsibilities of two agencies appear to be properly aligned. The Department of State Police (DSP) checks vehicles at weigh stations throughout the State to ensure that hazardous materials are being transported correctly. In addition, it has 20 specially trained officers who respond to accidents involving hazardous materials. Staff of the State Water Control Board can be called to the scene of an accident to protect water supplies if a hazardous substance is discharged during transport.

Two other agencies are involved in the oversight of hazardous materials. Their responsibilities for the oversight of radioactive substances may be unnecessarily fragmented.

When a hazardous materials incident occurs, staff from the Office of Emergency and Energy Services (OEEES) may respond at the scene if local personnel need assistance. OEEES has two hazardous materials vehicles which can be called on a 24-hour basis. OEEES also has a more narrow and specific role in this area: it oversees the transport of radioactive materials within Virginia. It requires shippers to give advance notice of movements, approves transport routes, and notifies local authorities when shipments will be transported through their jurisdictions.

The Bureau of Radiological Health in the State Department of Health (SDH) registers the shippers of radioactive substances, devices, and equipment. However, when these items are transported, the shipper must notify OEEES. If a radioactive substance is involved in an accident, then the Bureau's Radiological Emergency Response Team can be called to the scene. SDH also has staff in its regional offices who can respond at the scene, as well as non-State employees with whom the SDH contracts to provide emergency assistance.

Because the oversight of radioactive substances is divided between the two agencies, coordinative problems may occur in case of an emergency. Companies which register with SDH may not always contact the OEEES when they transport their radioactive materials. If an accident occurs, OEEES and local officials may be unaware that the shipment is radioactive and response time may be lengthened. The current Secre-

# Transportation

Potential Structural Problem	Agencies	Expenditure on Activity in FY 1981	Related Summary from Executive Agreement	Previous Recommendations	Area for Further Consideration
RESPONSE TO HAZARDOUS MATERIALS EMERGENCIES					
Fragmentation in overseeing the transport of radioactive substances.	State Office of Emergency and Energy Services (OEEES)	NA	None	None	Transferring responsibility from SDH to OEEES for 1) registering shippers of radioactive materials and 2) responding to emergencies involving these materials could decrease response time in emergencies.
	State Department of Health (SDH)	NA			

## LEGEND:

NA: Involved in the activity but specific expenditure data are not available.  
 --: Not currently involved in the activity.



tary of Transportation has acknowledged that there are coordination problems in this area. If responsibility for registering shippers and responding to these emergencies were transferred to OEES from SDH, OEES would be more likely to have the information about the shipment immediately at hand, and would be able to respond quickly and effectively.

### Emergency Response and Defense Activities

The missions of two agencies in this secretarial area are not closely related to transportation. Each agency may be more appropriately aligned under another secretarial area.

*Placement of the State Office of Emergency and Energy Services.* The Commonwealth promotes emergency preparedness planning so that loss of life and property can be minimized if a disaster occurs. It has also determined that energy conservation should be promoted so that natural resources can be saved. To carry out emergency functions, the State established the Office of Emergency Services under the Transportation and Public Safety secretarial area in 1973. When the two areas were split, the agency was assigned to the Transportation Secretary. In 1978, the State Energy Office was assigned to this agency. The agency is now called the State Office of Emergency and Energy Services (OEES).

OEES helps localities and State agencies design emergency plans and set up emergency training programs; evaluates local emergency programs; provides financial assistance for these programs; and, during emergencies, coordinates the responses of local, state, and federal agencies. To promote energy conservation, its energy division provides conservation services and programs for commercial and residential consumers and technical assistance to local governments.

Neither emergency planning nor energy conservation appear to have a strong mission link with other transportation agencies. The only apparent link of emergency services to transportation is that OEES may have to plan some emergency response activities with DHT. However, it is likely that more coordination would have to occur with agencies in the Public Safety secretarial area. Energy conservation's only link to this area appears to be that the Energy Division prepares contingency plans for fuel emergencies in the State, so they may have to contact personnel in transportation agencies to develop estimates of fuel needs for certain modes of transportation. But this is only one of the many energy activities that the Division carries out. Moreover, the Energy Division does not have a strong mission link to its parent agency.

As part of its discussions to develop an energy policy for the State, the Coal and Energy Commission is currently examining the role and placement of the Energy Division. The Commission may make a recommendation on its placement before the start of the next General Assembly session.

# Transportation

Potential Structural Problem	Agencies	Expenditure on Activity in FY 1981	Related Summary from Executive Agreement	Previous Recommendations	Area for Further Consideration
<b>EMERGENCY RESPONSE AND DEFENSE ACTIVITIES</b>					
Inappropriate alignment of the State Office of Emergency and Energy Services, which provides emergency planning and energy conservation assistance, under a secretarial area with transportation as its primary focus.	State Office of Emergency and Energy Services (OEES)	\$5,952,628	OEES is providing staff assistance to the Coal and Energy Commission, which is studying reorganization options for the State's energy functions.	One study recommended that the State's energy functions be placed under a Commerce Secretary and that emergency services be placed under the Public Safety Secretary.	Moving the state's emergency service functions under the Public Safety Secretary would align most activities with a public safety orientation in the same secretarial area. Moving the state's energy conservation activities under the Commerce and Resources Secretary would align all conservation-oriented activities in one secretarial area.
	Secretary of Transportation	NA			
	Secretary of Commerce and Resources	--			
	Secretary of Public Safety	--			
Inappropriate alignment of the Department of Military Affairs, whose military units provide assistance in the event of natural disaster or civil disturbance, under a secretarial area with transportation as its primary focus.	Department of Military Affairs (DMA)	\$2,727,643	None	One study recommended that the DMA be placed under a Public Safety Secretary.	Moving DMA under the Public Safety Secretary would align most activities with a public safety orientation in the same secretarial area.
	Secretary of Transportation	NA			
	Secretary of Public Safety	--			

**LEGEND:**

NA: Involved in the activity but specific expenditure data are not available.

--: Not currently involved in the activity.

Other states have placed their emergency services and energy conservation functions in a variety of structures. Since many states do not have secretarial areas, however, direct comparisons are not often possible in terms of placement in functional areas. In terms of agency structures, these alternatives are found:

- Emergency Services -- separate agency; unit under a military agency; unit under a broad public safety agency; miscellaneous placement, such as under general services
- Energy -- directly under governor's or lieutenant governor's office; separate agency; division in an agency such as commerce; collegial body only

The options for restructuring emergency and energy functions are as follows:

First, each could be moved under an existing agency. Energy conservation could be moved under an agency such as the Department of Conservation and Economic Development (DCED). This change would place the energy division under the primary conservation agency and in the secretarial area which is responsible for conservation of natural resources. Placement in DCED would be logical because it now carries out another public education/promotion program through its Division of Litter Control. Emergency services could be moved under an agency such as the Department of Military Affairs (DMA) since it is also involved in preparing for emergency situations. However, DMA is also presently under the Secretary of Transportation and also appears to be misaligned. A combined emergency services - military affairs agency would be more appropriately placed under the Public Safety Secretary.

Second, both functions could be moved to the more appropriate secretarial areas and each made a separate agency. This would, however, increase the number of agencies by one. Furthermore, the State's energy functions may not be extensive enough to justify the creation of a separate agency.

*Placement of the Department of Military Affairs.* The Commonwealth maintains and equips a military force to protect the citizenry and property in case of natural disaster or civil disturbance. The Department of Military Affairs was created in 1950 to carry out this mission.

DMA trains, manages, and supervises the State Air and Army National Guard; maintains its armories, training sites, and shops; and provides for security of its weapons and munitions. During a natural disaster or other emergency, it provides aid to local authorities. In time of national emergency, certain units can be mobilized for active duty.

DMA does not appear to have a strong mission link with the Secretary of Transportation. DMA may have to plan some of its emergency response activities with DHT, but it has a strong public safety

orientation and more coordination would likely have to occur with such agencies as the Department of State Police in the Public Safety secretarial area.

Other states have organized their defense agencies in a variety of ways, such as: a separate agency; emergency services and military affairs in the same agency; and broad agencies with other public safety functions such as corrections. Few comparisons can be made in terms of secretarial placement, because many states do not have secretarial areas.

Options for structural change are as follows:

First, DMA could simply be moved under the Public Safety Secretary. This would place the department within a secretarial area whose mission is closer to that of DMA than under its present placement.

Second, DMA could be moved to the Public Safety secretarial area, and an agency such as emergency services could be merged with DMA. This would reduce the number of State agencies and could result in cost savings because some administrative support costs might be reduced. Emergency planning could also be enhanced because all public safety activities would be aligned under one secretary. The Commission on State Governmental Management recommended this option in 1976.

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### III. CONCLUSIONS AND RECOMMENDATIONS

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The State has taken a significant step toward increasing the efficiency and effectiveness of the executive branch structure by grouping entities with similar purposes within secretarial areas for budget and management purposes. Further steps are needed, however. The number of entities in the executive branch has continued to grow even though repeated recommendations have been made for reductions. Other general concerns exist, such as the proliferation of small agencies, the use of inconsistent nomenclature, and the creation of widely varying regional boundaries for agencies leading to geographically dispersed regional offices. Furthermore, approximately 60 agencies appear to be involved in some type of duplication, fragmentation, or misalignment of responsibility for an activity or program resulting in less efficient and effective organizational structures.

The following sections outline the JLARC staff recommendations for this report, and describe the net result of implementing the various recommendations.

#### Staff Recommendations

Staff Recommendation 1. The General Assembly and the Governor should take steps to modify the organizational structure of small agencies by consolidating those with missions similar to other agencies, and providing administrative assistance to others which should remain separate.

The executive branch contains 21 agencies with fewer than 20 employees each. Many of these small agencies may be disproportionately burdened by administrative responsibilities which divert the time of program-oriented staff and may lack sufficient clerical and other support services which are available to larger agencies because of their size. In addition, the missions of many of these agencies may be sufficiently similar to those of larger agencies to warrant merger. The reduced number of agencies would most likely enhance management and coordination efforts.

Small agencies which should be brought into larger existing or proposed program agencies include:

- Council on the Environment
- State Office of Minority Business Enterprise
- Marine Products Commission

- Gunston Hall
- State Education Assistance Authority (political subdivision)

Details on these changes are available in the text and in Staff Recommendation 6.

In cases where small agencies do not share related activities or missions with larger agencies, or where they should maintain their identity in order to retain their visibility, two courses of action should be taken. First, agencies with an advocacy orientation under the Secretary of Human Resources should be brought together into a Department of Advocacy Agencies. This proposal is outlined in Staff Recommendation 6 and would include:

- Commission on the Status of Women
- Division for Children
- Council for the Deaf, and
- Advocacy Office for the Developmentally Disabled.

Other advocacy functions could also be considered for placement here. Second, where feasible, administrative support should be provided to other small agencies from the proposed Department of Analytical and Administrative Services.

Staff Recommendation 2. The General Assembly should (a) direct the Department of Planning and Budget to devise a uniform system of sub-State boundaries, and (b) require agencies to conform to it. However, procedures should be established to grant a minimum number of exceptions to agencies whose districts require unique boundaries.

The sub-State districts which are drawn by agencies for the purpose of administering their programs and delivering services vary greatly. Regions of different agencies do not often coincide geographically, and they vary in number. There are at least 77 different configurations for agencies' regional boundaries. Because agencies draw these boundaries differently, two problems have resulted: first, agencies do not often co-locate their offices, and thus unnecessary costs may be incurred; and second, when it is necessary to develop cross-agency cooperation within regions, it becomes unnecessarily difficult to identify those who must be involved in the cooperative efforts.

In order to reduce unnecessary costs and improve inter-agency cooperation, the General Assembly should direct the Department of Planning and Budget to devise a uniform system of sub-State boundaries for the planning, administrative, and operational districts of executive agencies. Agencies should be directed by statute to conform to this system. However, procedures should be established to grant a minimum number of exceptions to agencies whose districts require unique boundaries.

Staff Recommendation 3. The Governor should propose to the General Assembly enabling legislation for the Advocacy Office for the Developmentally Disabled, Governor's Employment and Training Division, and any other executive agency created without specific legislative action.

Although the *Constitution of Virginia* reserves the authority to prescribe the functions and structure of State government to the legislature, governors have sometimes created agencies without legislative approval. All but two agencies which exist today in the executive branch were created by the General Assembly. These two agencies, the Advocacy Office for the Developmentally Disabled and the Governor's Employment and Training Division, were created by executive order.

While creation of these agencies was related to various federal programs in which the Commonwealth participates, the Attorney General in 1978 determined that:

- A Governor cannot legislate by executive order where an Act of Assembly is required, and
- A State agency or State official cannot gain authority from a federal law.

Legislative action is therefore necessary.

Staff Recommendation 4. The General Assembly should adopt a standard nomenclature system to name State agencies and other entities.

In the absence of consistent guidelines, State agencies and other entities have been given names which often have little relationship to their status and level of authority. State units with radically different status and authority often make use of the same title, and entities with completely different names often have a similar level of responsibility. Some agencies and their related boards also have the same name. Thus, the present system of nomenclature is confusing and inconsistent.

The General Assembly should adopt a standard nomenclature system as proposed in this study. The system could be adopted independently or in conjunction with any organizational changes which may result from this series of studies or the Governor's critical reevaluation. The system should take effect immediately, but provisions should be made to implement name changes over such time as may be required to minimize disruption or unnecessary agency expense.

Staff Recommendation 5. The General Assembly should (a) direct the Department of Planning and Budget to continue refining the PROBUD system so that differences in programs and subprograms are more accurately reflected, and (b) require agencies to use codes in a consistent manner.

The State's computerized program budgeting system (PROBUD) is a useful analytical tool which could benefit from further refinements. One of its purposes is to reflect the programs and subprograms of agencies so that duplication, fragmentation, and misalignment can be identified by decisionmakers. Program codes, however, need to be more specifically defined so that differences in agencies' programs are more accurately reflected.

To strengthen the potential of PROBUD as a tool for analyzing the structure of State government, the General Assembly should (1) direct the Department of Planning and Budget to refine the PROBUD system so that similarities and differences in programs and subprograms of agencies are more accurately reflected; and (2) require agencies to code their activities in a consistent manner.

Staff Recommendation 6. Initiate legislative/executive action on the structural targets outlined in this report.

The General Assembly should initiate action regarding the structural targets outlined in this report. The targets could be acted upon by legislation, or the General Assembly could act on such corrective actions as may be proposed by the Governor in an Executive Reorganization Plan.

For those targets that are not included in a Reorganization Plan, the General Assembly should consider the courses of action that follow. Each of the targets identified in the report has been placed on one of two lists. The first list contains the targets for which a recommendation for action is made. In these cases, sufficient evidence is available to recommend immediate structural change. The second list contains the targets which may warrant further study before a recommendation for action can be made. In these cases, a concise review of those considerations should be mandated by resolution.

In reviewing these lists, the reader should remember that this analysis relates only to structural concerns and the analysis is not intended to reflect adversely on the performance of agencies or units.

## TARGET RECOMMENDATIONS

### I. Areas Where Action Should Be Taken

- I-1 The responsibility for collecting delinquent debts owed by individuals to State agencies should be centralized under the Attorney General or the Department of Taxation.



- I-2 The Department of Taxation's revenue estimating activities and the Commonwealth Data Base should be transferred to the Department of Planning and Budget. (An independent revenue forecasting capacity could be established under the legislative branch to maintain a system of checks and balances.)
- I-3 The Division of Motor Vehicles' revenue forecasting unit should also be transferred to the Department of Planning and Budget.
- I-4 The evaluation section of the Department of Planning and Budget and the management consulting division of the Department of Management Analysis and Systems Development should be co-located in a new Department of Analytical and Administrative Services.
- I-5 The following three activities of the Department of Health should be transferred to the Department of Agriculture and Consumer Services:
- Milk and Milk Product Inspection
  - Inspection of Seafood Processing Plants
  - Bedding and Upholstered Furniture Regulation
- I-6 Worksite inspection responsibilities currently divided between the Department of Labor and Industry and the Department of Health should be transferred to the Department of Labor and Industry.
- I-7 The Department of Health Regulatory Boards and Department of Commerce should be brought together to form a new Department of Commerce and Health Regulatory Boards.
- I-8 The entities which manage and/or preserve historic sites and attractions (Virginia Historic Landmarks Commission, Virginia Outdoors Foundation, Division of Parks and Recreation of the Department of Conservation and Economic Development, Jamestown-Yorktown Foundation, Gunston Hall, Monroe Museum and Library, and the Virginia War Memorial Commission) should be administratively merged. These entities should be brought together in a proposed Department of Parks and Historic Preservation. If this agency is not established, the entities which manage sites should be merged under the Division of Parks and Recreation in the Department of Conservation and Economic Development. The Virginia Historic Landmarks Commission and the attached Virginia Outdoors Foundation should be placed in a separate division of the Department.
- I-9 The Division of Tourism, Division of Industrial Development, the State Office of Minority Business Enterprise, and the Industrial Training Division of the Virginia Community College System should be merged to create a new Department of Economic Development. The port promotion activities of the Virginia Port Authority could also be considered for inclusion.

- I-10 The Virginia Marine Products Commission should be merged with the Department of Agriculture and Consumer Services. If the State decides to continue specific product promotion as part of its mission, the Department should also assume the functions of the individual product commissions.
- I-11 The State Water Control Board, Air Pollution Control Board, Division of Mined Land Reclamation of the Department of Conservation and Economic Development, Council on the Environment, and the State Department of Health's regulation of wastewater treatment facilities, Bureau of Toxic Substances Information, and Bureaus of Solid and Hazardous Waste should be merged into a new Department of Environmental Regulation.
- I-12 The Soil and Water Conservation Commission should be merged with the Department of Conservation and Economic Development. If a new Department of Conservation is created, the Soil and Water Conservation Commission and the conservation activities of the DCED could be brought together under this department.
- I-13 The Virginia Marine Resources Commission and the Commission of Game and Inland Fisheries should be merged to create a new Department of Game and Inland and Marine Fisheries.
- I-14 The Department for the Visually Handicapped should be moved as a separate program division into the Department of Rehabilitative Services. (Further study of individual functions should also be undertaken as recommended in II-3.)
- I-15 The Division of Volunteerism should be realigned under the Secretary of Administration and Finance, and provisions should be made to provide administrative support to the division. (This recommendation would be adopted if volunteerism is viewed as an administrative agency. If viewed as a human resources agency, it would be co-located under the Department of Advocacy Agencies recommended in I-20.)
- I-16 A non-structural solution to the problem of duplication between the Division of Volunteerism and the Center for Volunteer Development of Virginia Polytechnic Institute and State University has been proposed in a separate JLARC report (Review of the Virginia Division of Volunteerism, December 1983). That report recommended either (1) requiring a more specific memorandum of understanding to clearly specify the responsibilities of each agency and/or (2) restricting activities of the Center to those consistent with the University's extension mission and limiting the Center's funding to non-State sources. Therefore, a structural solution is not being proposed in this report.
- I-17 The Department for the Aging should be moved as a separate program division into the Department of Social Services.

- I-18 The Governor's Employment and Training Division should be transferred to the Commerce and Resources secretarial area from the Human Resources secretarial area.
- I-19 The regulation of health-related public facilities carried out by the Departments of Social Services, Mental Health and Mental Retardation, and Education should be merged under the Department of Health.
- I-20 The four small advocacy agencies under the Secretary of Human Resources (Commission on the Status of Women, Division for Children, Advocacy Office for the Developmentally Disabled, and the Council for the Deaf) should be co-located to form a new Department of Advocacy Agencies. If the Commission on Indians should become a staffed agency, it would also be included here. (If a decision is made to retain the Division of Volunteerism as a human resources agency, it would be established here.)
- I-21 The Central Garage should be transferred from the Department of Highways and Transportation to the Department of General Services and efforts continued to designate it as a working capital fund. (Legislative action on designation as a working capital fund is currently pending.)
- I-22 The Department of Aviation should take over the administration, operation and maintenance of the aircraft hangared in Richmond and owned by the Department of Highways and Transportation, the Commission of Game and Inland Fisheries and the Governor's Office.
- I-23 Responsibility for the registration of shippers of radioactive materials and responding to emergencies involving radioactive materials should be transferred from the State Department of Health to the State Office of Emergency and Energy Services.
- I-24 The emergency services functions of the State Office of Emergency and Energy Services (OEES) should be transferred from the Transportation secretariat to the Public Safety secretariat. The Energy Division of the OEES should be transferred to the Commerce and Resources secretariat. If the proposed Department of Conservation is not established, the division should be merged with the Department of Conservation and Economic Development.
- I-25 The Department of Military Affairs should be transferred from the Transportation secretariat to the Public Safety secretariat.

## II. Areas Where Further Study May Be Required

- II-1 The transfer of the Department of State Police data processing operations to the Department of Computer Services should be assessed further.

- II-2 The feasibility of combining the two political subdivisions with student financial assistance orientations (the State Education Assistance Authority and the Virginia Education Loan Authority) with the grant and scholarship programs of the State Council of Higher Education and State Department of Health should be studied.
- II-3 A merger of the Title XX, auxiliary grant, and library functions of the Department for the Visually Handicapped with the Department of Social Services and Virginia State Library, respectively, should be assessed further.
- II-4 The status of the Rehabilitative School Authority as an independent agency should be considered during the forthcoming JLARC study on the RSA and the Department of Corrections.

#### Net Effects of Adopting Recommendations

Adoption of the various recommendations in this report would result in important changes in the structure of the executive branch. For example, the integrity of secretarial areas would be strengthened by realigning those agencies that do not share common missions with other agencies in their areas. The total number of independent executive agencies would be reduced from 85 to 72 and would include the following new or renamed agencies:

- Department of Analytical and Administrative Services
- Department of Advocacy Agencies
- Department of Parks and Historic Preservation
- Department of Conservation
- Department of Environmental Regulation
- Department of Economic Development
- Department of Game and Inland and Marine Fisheries
- Department of Commerce and Health Regulatory Boards

And, depending upon the final proposals decided upon to implement each recommendation, cost differences from \$1,474,474 to \$1,653,239 or higher in staffing costs alone could be realized.

The following sections describe the net effects of the recommendations on each secretarial area. (See Figure 8 at the end of this chapter for an organizational chart of the Executive Branch based on JLARC target recommendations.)

*ADMINISTRATION AND FINANCE.* The Administration and Finance secretarial area currently contains 16 administrative agencies. This number would be increased to 18, as shown below.

Present Agencies

- Department of Planning and Budget
- Compensation Board
- Department of Accounts
- Department of Computer Services
- Department of General Services
- Department of Management Analysis and Systems Development
- Department of Personnel & Training
- Department of Taxation
- Department of Telecommunications
- Department of the Treasury
- Office of Employee Relations Counselors
- Secretary of the Commonwealth
- State Board of Elections
- Office of Commonwealth-Federal Relations
- Virginia Supplemental Retirement System
- Commission on Local Government

Proposed Agencies

- Department of Planning and Budget
- Department of Compensation
- Department of Accounts
- Department of Computer Services
- Department of General Services
- Department of Systems Development
- Department of Personnel & Training
- Department of Taxation
- Department of Telecommunications
- Department of the Treasury
- Department of Employee Relations Counselors
- Secretary of the Commonwealth
- Department of Elections
- Department of Commonwealth-Federal Relations
- Virginia Supplemental Retirement System
- Department on Local Government
- Department of Volunteerism
- Department of Analytical and Administrative Services

*COMMERCE AND RESOURCES.* This area contains 19 administrative agencies. The most substantial restructuring of all the functional areas could very likely occur in this area.

Present Agencies

- Commission of Game and Inland Fisheries
- Council on the Environment
- Department of Agriculture and Consumer Services
- Department of Commerce
- Department of Conservation and Economic Development
- Department of Housing and Community Development
- Department of Labor and Industry
- Division of Industrial Development
- Gunston Hall
- Jamestown-Yorktown Foundation
- Marine Resources Commission
- Virginia Marine Products Commission
- Milk Commission

Proposed Agencies

- Department of Game and Inland and Marine Fisheries
- Department of Environmental Regulation
- Department of Conservation
- Department of Parks and Historic Preservation
- Department of Employment Services
- Department of Labor and Industry
- Department of Economic Development
- Department of Housing and Community Development
- Department of Agriculture and Consumer Services
- Department of Commerce and Health Regulatory Boards
- Department of Milk Regulation

Present Agencies

- State Air Pollution Control Board
- State Water Control Board
- State Office of Minority Business Enterprise
- Virginia Historic Landmarks Commission
- Virginia Soil and Water Conservation Commission
- Virginia Employment Commission

Proposed Agencies

- Department of Employment Training

*EDUCATION.* The Education secretarial area contains 23 administrative agencies, 14 of which are colleges and universities. The number of administrative agencies would not be reduced by the proposals in this study.

Present Agencies

- Department of Education
- State Council of Higher Education for Virginia
- Virginia Schools for the Deaf and Blind
- Virginia Community College System
- Christopher Newport College
- George Mason University
- James Madison University
- Longwood College
- Mary Washington College
- Norfolk State University
- Old Dominion University
- Radford University
- College of William and Mary
- University of Virginia
- Virginia Commonwealth University
- Virginia Military Institute
- Virginia Polytechnic Institute and State University
- Virginia State University
- Science Museum
- Virginia Commission for the Arts
- Virginia State Library
- Virginia Truck and Ornamentals Research Station

Proposed Agencies

[Same as Present]

The number of overall entities in this secretarial area, however, would decrease if the two political subdivisions which provide and guarantee loans to students in colleges and universities were placed under an existing agency such as SCHEV, which provides grants to students. This change would unify all facets of financial aid for higher education under one agency.

*HUMAN RESOURCES.* This secretarial area contains 14 administrative agencies. The number of agencies would be reduced by over half if the proposals in this report were enacted. These proposals all involve combinations of smaller with larger agencies.

Present Agencies

- State Department of Health
- Department of Health Regulatory Boards
- Department of Mental Health and Mental Retardation
- Department of Rehabilitative Services
- Department of Social Services
- Division for Children
- Division of Volunteerism
- Governor's Employment and Training Division
- Commission on the Status of Women
- Department for the Aging
- State Advocacy Office for the Developmentally Disabled
- Virginia Department for the Visually Handicapped
- Virginia Council for the Deaf
- Virginia Health Services Cost Review Commission

Proposed Agencies

- Department of Health
- Department of Mental Health and Mental Retardation
- Department of Rehabilitative Services
- Department of Social Services
- Department of Health Services Cost Review
- Department of Advocacy Agencies

*PUBLIC SAFETY.* The Public Safety secretarial area contains seven administrative agencies. Under the proposals in this report, the number of agencies would grow to nine. Two agencies from another secretarial area would be added.

Present Agencies

- Commonwealth's Attorneys' Services and Training Council
- Department of Alcoholic Beverage Control
- Department of Corrections
- Department of State Police
- Department of Criminal Justice Services
- Rehabilitative School Authority
- Department of Fire Programs

Proposed Agencies

- Department for Commonwealth's Attorneys' Services and Training
- Department of Alcoholic Beverage Control
- Department of Corrections
- Department of State Police
- Department of Criminal Justice Services
- Rehabilitative School Department
- Department of Fire Programs
- Department of Emergency Services
- Department of Military Affairs

*TRANSPORTATION.* This secretarial area has the smallest number of administrative agencies of all the secretarial areas. The present number of six would be reduced even further to four if the proposals in this report were enacted.

Present Agencies

- Department of Aviation
- Department of Highways & Transportation
- Division of Motor Vehicles
- Office of Emergency & Energy Services
- Department of Military Affairs
- Virginia Port Authority

Proposed Agencies

- Department of Aviation
- Department of Highways and Transportation
- Department of Motor Vehicles
- Department of Ports



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## AGENCY INDEX

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The page numbers following each agency below correspond to the page on which the agency is discussed in the "Structural Concerns Within and Among Functional Areas" section of this report. The entities are grouped under the appropriate elected officials and the Governor's secretaries.

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## APPENDIXES

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## APPENDIX A

### TECHNICAL APPENDIX SUMMARY

JLARC policy and sound research practice require a technical explanation of research methodology. The full technical appendix for this report is available upon request from JLARC, Suite 1100, 910 Capitol Street, Richmond, Virginia 23219.

The technical appendix includes a detailed explanation of special methods and research employed in conducting the study. The following areas are covered:

1. Inventory of State Agencies and Entities. Official state documents were systematically reviewed to identify the 407 agencies, boards, commissions and other entities formally established within the executive branch. The documents reviewed included the (a) *Code of Virginia*, (b) *Constitution of Virginia*, (c) Virginia State Government Report, (d) Executive Budgets, (e) Appropriations Acts, (f) current executive orders, and (g) Report of the Secretary of the Commonwealth.
2. Document Reviews. A number of studies and other documents were systematically reviewed and abstracted to identify and trace long-standing structural concerns. Approximately 35 structural studies from 1924 through 1982 were reviewed, as were all House and Senate documents from 1969 through 1982.
3. Functional Analysis. A functional analysis -- an intensive review and analysis of available data regarding the activities and structure of executive branch agencies -- was the primary method used to identify instances of duplication, fragmentation and inappropriate alignment in the executive branch. Three major activities were carried out as part of the analysis: (1) Constructing a list of potential structural problems or "targets", (2) Classifying potential targets, and (3) Prioritizing potential targets.

*List of Potential Targets.* A list of 127 potential structural targets was compiled using five data sources:

- PROBUD -- The State's computerized program budgeting system, PROBUD, contains coded information regarding the possible 189 program and 1238 sub-

- program activities of State agencies. FY 81 PROBUD data were analyzed in successive computer runs to identify potential structural problems.
- JLARC Sources -- Previous JLARC reports and action agendas were reviewed for structure-related issues and recommendations. JLARC staff were also interviewed regarding structural problems observed during previous studies.
- Current and Ex-Governor's Secretaries -- Current and ex-Governor's secretaries were asked about structure-related problems during interviews.
- Mission Review -- Executive Budget exhibits were analyzed to identify agencies that appeared to be inappropriately aligned within secretarial areas.
- Recent Structure-Related Studies -- Recent studies, such as the Department of Planning and Budget's Plan to Eliminate or Reduce Duplication or Undue Competition were reviewed to identify potential structural targets.

*Classifying Potential Targets.* Each potential structural problem was then classified by type to aid in analysis and follow-up. The targets broke out into the four following classifications: duplication, fragmentation, inappropriate alignment of an activity, and inappropriate alignment of an agency.

- Duplication -- When two or more agencies conduct identical activities at the agency, program or subprogram level.
- Fragmentation -- When two or more agencies carry out different activities leading to the accomplishment of the same goal.
- Inappropriate Alignment of an Activity -- When the goal of one activity is different from others in the same group.
- Inappropriate Alignment of an Agency -- When the goal of an agency is different from others in the same group.

*Prioritizing Potential Targets.* Because of the large number of potential targets, a system was devised to prioritize targets. Each target was assigned a score

in each of the following four categories: level of research effort, expected outcome, potential for implementation and issue concentration. Composite scores were then used to determine in what order targets would be researched.

4. Verification Research. Verification research was conducted for each of the 127 structural concerns to verify that activities were consistent with coded data and to identify (a) if a structural concern actually existed, and (b) the extent of duplication, fragmentation and/or inappropriate alignment. The verification research included structured interviews with approximately 200 individuals in over 60 agencies. Agency staff were questioned regarding (a) specific activities related to the target area, (b) number and type of employees carrying out the activities, and (c) federal restrictions. Additional data were also collected from statute, budget exhibits, other states, the federal government, and other sources. The verification research led to the identification of 33 structural problems or "targets".
  
5. Telephone Surveys of Other States. Two separate survey efforts were undertaken to gather information on executive branch structures in other states. Telephone interviews were conducted with officials in nine selected states to gather information regarding (a) "cabinet" structures, (b) functional alignments, (c) nomenclature and (d) other organizational features. A second telephone survey was conducted with 13 selected states to gather information regarding their organization for the delivery of services to the visually handicapped.
  
6. Federal Mandate Review. A review of relevant federal mandates was undertaken to identify those that could affect the structure and organization of Virginia's executive branch. Of particular interest were mandates that would constrain or limit the State's options for restructuring. References to mandates were first identified through (a) agency staff interviews (b) the Virginia State Government Report, and (c) the Executive Budget. References were then followed up using (a) the *United States Code*, (b) the *United States Code Service*, (c) *United State Code Congressional and Administrative News*, and (d) *Shepard's Acts and Cases by Popular Names*.



APPENDIX B

POSITIONS IN AGENCIES WITH  
ECONOMIC DEVELOPMENT MISSIONS  
(As of October 1983)

<u>Agency or Unit</u>	<u>Position</u>	<u>Number Authorized</u>	<u>Salary (mean of range)</u>
Department of Conservation and Economic Development- Division of Tourism	Commissioner	1	\$ 36,700
	Assistant Commissioner	1	28,100
	Advertising Director	1	28,100
	Information Director A	6	21,500
	Supervisor-New York	1	19,700
	Information Officer A	1	18,000
	Counselor-New York	2	18,000
	Clerk D	3	16,400
	Information Processing Supervisor	1	15,000
	Fiscal and Accounting Technician	1	15,000
	Clerk C	3	13,800
	Clerk D	10	13,800
	Clerk Stenographer D	2	13,800
	Information Technician	1	13,800
	Clerk Stenographer C	2	12,600
	Information Processing Specialist	2	12,600
	Counselor	1	12,600
	Clerk C	24	11,500
	Clerk Typist C	1	11,500
	Lab Mechanic A	1	11,500
Clerk Messenger	2	9,600	
	<b>Total</b>	<b>67</b>	

<u>Agency or Unit</u>	<u>Position</u>	<u>Number Authorized</u>	<u>Salary (mean of range)</u>
Division of Industrial Development	Director	1	\$ 59,800
	Deputy Director	1	40,100
	International Marketing Director	1	36,700
	Marketing Director	1	36,700
	Assistant Director	1	36,700
	Market Service Director	1	36,700
	Community & Business Service		
	Director	1	36,700
	Planning Research Economist Chief	1	33,600
	Foreign Trade Representative B	2	30,700
	Industrial Development		
	Representative	13	30,700
	Industrial Service Representative	2	30,700
	International Trade & Development		
	Assistant	1	30,700
	Community Services Manager	1	30,700

<u>Agency or Unit</u>	<u>Position</u>	<u>Number Authorized</u>	<u>Salary (mean of range)</u>
	Planning Research Economist B	2	28,100
	Foreign Trade Representative A	1	25,700
	Community Development Representative	2	25,700
	Agency Administrative Manager	1	23,500
	Planning Research Economist A	2	23,500
	Industrial Development Site Engineer	1	21,500
	Information Officer B	1	19,600
	Graphic Artist Designer	1	19,600
	Accountant B	1	18,000
	Statistician B	1	16,400
	Graphic Artist Illustrator B	1	16,400
	Industrial Development Representative Assistant	1	16,400
	Confidential Secretary	1	15,000
	Clerk Stenographer D	4	13,700
	Clerk Stenographer C	9	12,600
	Clerk C	<u>1</u>	11,500
	Total	57	

<u>Agency or Unit</u>	<u>Position</u>	<u>Number Authorized</u>	<u>Salary (mean of range)</u>
State Office of Minority Business Enterprise	Director	1	\$ 35,360
	Deputy Director	1	28,100
	Development Analyst	1	25,700
	Business Enterprises Program Manager	2	23,500
	Assistant Program Manager	3	19,700
	Information Officer A	1	16,400
	Confidential Secretary	1	15,000
	Fiscal and Accounting Technician	1	15,000
	Clerk D	1	13,700
	Clerk Typist C	<u>1</u>	11,500
	Total	13	

<u>Agency or Unit</u>	<u>Position</u>	<u>Number Authorized</u>	<u>Salary (mean of range)</u>
Virginia Community College System-Industrial Training Division	Director of Industrial Training	1	\$33,600
	Other Professionals (specific positions unknown)	6	unknown
	Clerical (specific positions unknown)	<u>2</u>	unknown
	Total	9	

APPENDIX C

FURTHER DETAILS REGARDING RECOMMENDATIONS  
REFERENCED ON MATRICES

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GENERAL GOVERNMENT

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	<u>Document</u>	<u>Year</u>	<u>Page</u>
<b>ADMINISTRATIVE AND CENTRAL SUPPORT SERVICES</b>			
Operation of data processing facilities	Department of Planning and Budget Plan to Eliminate or Reduce Duplication or Undue Competition	1982	p. AF-24

**RESEARCH AND  
EVALUATION ACTIVITIES**

Collection of data on socioeconomic and other aspects of the State	House Document 20 - Report of the Joint Subcommittee Studying the Virginia Resource Information System	1980	p. 75
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RESOURCE AND ECONOMIC DEVELOPMENT

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**REGULATION OF  
PRODUCTS, WORKSITES,  
AND OCCUPATIONS**

Inspection of worksites for health and safety violations	DPB Plan to Eliminate or Reduce Duplication or Undue Competition	1982	p. HR-92
Inspection of seafood processing plants	JLARC-Economic Potential and Management of Virginia's Seafood Industry	1983	p. 135
	Commission on State Governmental Management	1976	p. 464, Volume 1

	<u>Document</u>	<u>Year</u>	<u>Page</u>
Inspection of milk and milk products	DPB Plan to Eliminate or Reduce Duplication or Undue Competition	1982	p. CR-28
	Priority Recommendations for 1978-Commission on State Governmental Management	1977	p. 17
	Commission on State Governmental Management	1976	pp. 479-480, Volume 1
Regulation of bedding and upholstered furniture	Governor's Management Study	1970	p. 187
	Commission on State Governmental Management	1976	p. 481, Volume 1
Regulation of professions and occupations	Commission on the Reorganization of State Government	1948	
	Commission on State Governmental Management	1976	pp. 480-481 and 486-487, Volume 1
	JLARC-The Occupational and Professional Regulatory System in Virginia	1983	pp. 118-119
RECREATIONAL AND HISTORICAL PLANNING AND MANAGEMENT			
Management of historic and commemorative attractions	Commission on State Governmental Management	1976	p. 492, Volume 1
	House Document 7 - Report on Establishing a Heritage Trust	1978	p. 18
ECONOMIC DEVELOPMENT			
Industrial development activities	JLARC-The Virginia Community College System	1975	p. 108
	Priority Recommendations for 1978-Commission on State Governmental Management	1977	p. 15

	<u>Document</u>	<u>Year</u>	<u>Page</u>
Research and promotion of agricultural and seafood products	Commission on State Governmental Management	1976	pp. 478-479, Volume 1
<b>RESOURCE PLANNING, MANAGEMENT AND REGULATION</b>			
Management of land resources	Commission on State Governmental Management	1976	p. 493, Volume 1
Environmental regulation	Commission on State Governmental Management	1976	pp. 493-494, Volume 1
	House Document 18 - Environmental Management Report of the Virginia Advisory Legislative Council	1974	p. 6
	Governor's Task Force on Environmental Management	1973	p. ii
	House Document 29 - Environmental Management Report of the Virginia Advisory Legislative Council	1976	p. 7
	JLARC - Water Resource Management in Virginia	1976	p. 34
	Commission on State Governmental Management	1976	p. 464, Volume 1
	DPB Plan to Eliminate or Reduce Duplication or Undue Competition	1982	p. CR-22

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EDUCATION

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**FINANCIAL ASSISTANCE FOR HIGHER EDUCATION**

Provision of loans and grants to students in higher education institutions	Department of MASD - Study Report on the Proposed Consolidation of SEAA, VELA, and the Financial Aid Programs of SCHEV	1978	p. 13
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<u>Document</u>	<u>Year</u>	<u>Page</u>
House Document 37 - Report of the Secretary of Education on HJR 201	1980	p. 8
Priority Recommendations for 1978 - Commission on State Governmental Management	1977	p. 23
DPB Plan to Eliminate or Reduce Duplication or Undue Competition	1982	p. HR-37
Governor's Management Study	1970	p. 197

#### LIBRARY SERVICES

Provision of statewide library services	Commission on State Governmental Management	1976	p. 467, Volume 1
	DPB Plan to Eliminate or Reduce Duplication or Undue Competition	1982	p. HR-58

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#### INDIVIDUAL AND FAMILY SERVICES

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#### FINANCIAL ASSISTANCE

Administration of auxiliary grants program	DPB Plan to Eliminate or Reduce Duplication or Undue Competition	1982	p. HR-41
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#### SERVICE SUPPORT

Promotion of Volunteerism	Same as above	1982	p. ED-22
Alignment of the Division of Volunteerism	Commission on State Governmental Management	1976	p. 489, Volume 1

#### SOCIAL SERVICES

Provision of services to the elderly	Commission on State Governmental Management	1976	p. 488, Volume 1
	DPB Plan to Eliminate or Reduce Duplication or Undue Competition	1982	p. HR-55

	<u>Document</u>	<u>Year</u>	<u>Page</u>
	House Document 9 - Study of the Human Resources Reorgani- zation Proposals	1978	p. 13
Administration of Title XX services	DPB Plan to Eliminate or Reduce Duplication or Undue Competition	1982	p. HR-45
Provision of rehabilitative services	Commission on State Governmental Management	1976	pp. 466-467, Volume 1
	Governor's Management Study	1970	p. 187
	DPB Plan to Eliminate or Reduce Duplication or Undue Competition	1982	p. HR-32
	House Document 26 - Report of the Governor's Management Study Implementation Commission	1972	p. 16
<b>REGULATION AND LICENSURE</b>			
Licensure and inspection of public facilities	Senate Document 16 - Report of the Virginia Advisory Legislative Council	1975	p. 11
	House Document 9 - Study of the Human Resources Reorgani- zation Proposals	1978	p. 13
	House Document 8 - Report of the Commission on Mental Health and Mental Retardation	1980	p. 45
	DPB Plan to Eliminate or Reduce Duplication or Undue Competition	1982	p. HR-19
<b>SOCIAL SERVICE PLANNING, RESEARCH AND ADVOCACY</b>			
Research, planning and coordination activities	Commission on State Governmental Management	1976	pp. 487-488, Volume 1

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ADMINISTRATION OF JUSTICE

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<u>Document</u>	<u>Year</u>	<u>Page</u>
House Document 9 - Study of the Human Resources Reorgani- zation Proposals	1978	pp. 7, 13

EDUCATION OF INMATES

Alignment of the Rehabilitative School Authority	House Document 2 - Study of RSA and its Relationship to the Department of Corrections	1981	pp. 5-6
	Priority Recommendations for 1978 - Commission on State Governmental Management	1977	p. 38

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TRANSPORTATION

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TRANSPORTATION ACTIVITIES

Alignment of the Central Garage	Commission on State Governmental Management	1976	p. 471, Volume 1
	House Document 11 - Recommendations for the Organization of a DGS	1977	p. 16
	JLARC - Management and Use of State-Owned Motor Vehicles	1979	p. 39
	JLARC - Working Capital Funds in Virginia	1982	pp. 5-6
Maintenance and operation of State aircraft	JLARC - Use of State- Owned Aircraft	1977	p. 21

EMERGENCY RESPONSE AND  
DEFENSE ACTIVITIES



	<u>Document</u>	<u>Year</u>	<u>Page</u>
Alignment of the State Office of Emergency and Energy Services	Commission on State Governmental Management	1976	pp. 458 and 471, Volume 1
Alignment of the Department of Military Affairs	Commission on State Governmental Management	1976	p. 471, Volume 1

APPENDIX D  
AGENCY RESPONSES

As part of an extensive data validation process, the Governor, Governor's secretaries, executive agencies and other individuals with an interest in JLARC's review and evaluation effort were given an opportunity to comment on an exposure draft of this report.

Comments were solicited three ways. First, findings and recommendations from the exposure draft were presented to agency heads, board members, and other individuals attending the Governor's Critical Reevaluation Conference in September 1983. Second, full copies of the exposure draft were distributed to the Governor's office and the Governor's secretaries. Third, relevant sections of the exposure draft were mailed to 59 agencies and institutions of higher education. In each case written comments were requested.

Written responses were received from the Governor's secretaries, 66 agencies and institutions of higher education, and 58 other individuals. The responses from the Governor's secretaries are included in the appendixes of a companion volume to this report, entitled Organization of the Executive Branch in Virginia: A Summary Report. The written responses of agencies, institutions, and others are on file in the JLARC staff offices and may be inspected on request.

Appropriate technical corrections resulting from the responses have been made in this final report.

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## JLARC STAFF

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### RESEARCH STAFF

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**Director**

Ray D. Pethtel

**Deputy Director**

Philip A. Leone

**Division Chiefs**

- Susan Urofsky, Division I
- Kirk Jonas, Division II

**Section Managers**

Gary T. Henry, Research Methods  
& Data Processing  
John W. Long, Publications & Graphics

**Project Team Leaders**

- John M. Bennett
- Joseph H. Maroon
- Barbara A. Newlin
- Walter L. Smiley
- Glen S. Tittermary
- Mark D. Willis

**Project Team Staff**

- Suzette Denslow
- Lynn L. Grebenstein
- Stephen W. Harms
- Clarence L. Jackson
- R. Jay Landis
- Sarah J. Larson
- Cynthia Robinson
- Robert B. Rotz
- Mary S. Kiger
- E. Kim Snead
- Ronald L. Tillett
- R. Shepherd Zeldin

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### ADMINISTRATIVE STAFF

---

**Section Manager**

Sharon L. Harrison  
Business Management  
& Office Services

**Administrative Services**

Joan M. Irby

**Secretarial Services**

Deborah A. Armstrong  
Rosemary B. Creekmur  
Betsy M. Jackson  
Patricia L. Jordan

---

### SUPPORT STAFF

---

**Technical Services**

David W. Porter, Graphics  
William E. Wilson, Computers

**Interns**

- Anthony T. Hebron
- Martha M. Ragland
- William H. Scarborough
- Geraldine A. Turner
- Carolyn O. Tillman

- *Indicates staff with primary assignment to this project.*

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