



October 2017 Issue

Activities of Virginia Legislative Study Commissions and Joint Subcommittees During the Legislative Interim



Virginia Division of Legislative Services

Virginia Legislative Record

Volume 27 Issue 2

The *Virginia Legislative Record* is a report of the activities of Virginia legislative study commissions and joint subcommittees, reflecting the ongoing deliberations and recommendations of interim legislative studies. Meeting summaries were prepared by the staff of the Division of Legislative Services. More information concerning the individual commissions and committees is available on the DLS website (dls.virginia.gov) or by calling 804-698-1810. Follow DLS on Twitter @dls_virginia.

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Regulation Information

The *Virginia Register of Regulations* is Virginia's official publication of proposed, final, and emergency regulations. All regulations must be filed with the Registrar of Regulations to become law. The *Virginia Register*, published every other Monday, provides a snapshot of all regulatory activity in Virginia. The current *Register* issue, as well as prior issues and additional information about the regulatory process in Virginia, is available at <http://register.dls.virginia.gov>. Contact the Division of Legislative Services at 804-698-1883, 804-698-1884, or 804-698-1885 and follow the *Virginia Register* on Twitter @varegs for more information.

Virginia Code Commission

June 26, 2017

The Virginia Code Commission (the Commission) met on June 26, 2017, in Richmond, with Senator John Edwards, chair, presiding.

Request to Recodify Title 24.2, Elections

David Bailey, representing the Voter Registrars Association of Virginia, requested that Title 24.2, Elections, be placed on the list of titles to be recodified. He stated that there are many examples in the title to support the need for recodification and introduced Tracy Howard, General Registrar for the City of Radford and President of the Voter Registrars Association of Virginia. Mr. Howard stated that Virginia general registrars, the electoral board association, the 2014 Board of Elections work group, and the Board of Elections as indicated by its vote in 2016 support recodification of Title 24.2. The last recodification of this title was in 1993, and many of the reasons for the 1993 recodification are applicable today. Mr. Howard stated that many obsolete and duplicate provisions exist in the Code and he provided some examples. He offered the assistance of the association in the daunting task of recodification.

Robin Lind, representing the Virginia Electoral Board Association, and Clara Wheeler, a member of the Board of Elections, provided additional examples to support recodification. Ms. Wheeler also stressed the importance of including individuals and entities that deal with election issues and the Code on a daily basis in the recodification process.

Delegate Greg Habeeb described two categories of issues: (i) existing provisions that affect the legitimacy of elections, which should be addressed now through the regular legislative process rather than waiting for the full recodification process, and (ii) other provisions that can wait for recodification. Mark Vucci indicated that DLS recognizes the need for this recodification, but the resources that would be allocated for recodification are the same resources that are needed for redistricting, which will begin in 2019 and extend through 2021. Mr. Vucci recommended that the recodification of Title 24.2 begin in the summer of 2022.

Senator Edwards asked if there were discrete issues that could be addressed sooner, possibly through an obsolete laws bill. Mr. Vucci stated that it may be possible to prepare an obsolete laws bill for consideration by the Commission this fall. Mr. Howard indicated that he could organize a committee and provide information for the Commission's consideration. Senator Edwards stated that the information should address obsolete provisions and obvious technical changes and not policy changes.

Identification of Obsolete Laws under § 30-151 of the Code of Virginia: Review of § 60.2-114.1

Frank Munyan, Senior Attorney, Division of Legislative Services

Mr. Munyan reviewed his report addressing § 60.2-114.1 of the Code of Virginia, which requires an employer, at the time of initial hiring, to request that an employee disclose the existence of an income withholding order pursuant to § 20-79.1 or 63.2-1924 of the Code of Virginia. Dawn Flora, Finance Payroll Division, City of Virginia Beach, contacted the Code Commission last year asking it to review § 60.2-114.1 as part of its ongoing review of the Code of Virginia to identify laws that are obsolete. Ms. Flora's question is whether the section is needed, given the enactment of § 63.2-1946, and per the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (42 U.S.C. § 653a), mandating employers to report all newly hired and rehired employees to a state directory within 20 days of their hire date.

Mr. Munyan's research of this section included reviewing the drafting file, searching for formal Attorney General opinions and reported circuit court or appellate court decisions, and communicating with the Virginia Employment Commission (VEC) and the Director of Legal Operations at the Department of Social Services' Division of Child Support Enforcement. Mr. Munyan stated that his research shows that § 63.2-1946 reflects the current treatment of these matters and appears to supersede § 60.2-114.1.

Senator Edwards inquired if the provision should be retained and relocated to Title 63.2 of the Code. Judge Leslie Lilley stated that the section appears to be outdated and has been replaced by § 63.2-1946. At Senator Edwards' request, Kathy Weaver, Acting Chief of Benefits at VEC, spoke to the issue. She advised that states report new hires on a nationwide system, that the process is fully automated, and that paper forms are obsolete. In response to a question, Ms. Weaver advised that VEC submitted an agency legislative proposal to the administration requesting that the section be repealed; however, the recommendation was not approved as part of VEC's legislative package.

At Senator Edwards' request, Carlos Hopkins and Timothy Oksman will follow up with the Governor's Office and the Attorney General's Office, respectively, to determine whether either office has concerns regarding the repeal of this section.

At the conclusion of the meeting, Mr. Hopkins reported that the Governor's Office has no objection to the Commission proceeding with legislation to repeal § 60.2-114.1.

Recodification of Title 55, Property and Conveyances

Amigo Wade, Kristen Walsh, and Brittany Olwine, Attorneys, Division of Legislative Services

Mr. Wade presented three chapters of Subtitle IV (Common Interest Communities) of Title 55 for review by the Commission: the Property Owners' Association Act, Virginia Condominium Act, and Virginia Real Estate Cooperative Act.

The Commission discussed the use of the term "hand delivery" and whether the term should be defined. Mr. Wade stated that staff would research use of the term throughout the Code of Virginia, discuss the question with the work group, and return with more information at a future meeting.

Virginia Code Commission

Senator John S. Edwards, Chair

Jane Chaffin, Code Commission staff and Registrar of Regulations, DLS

804-698-1885

codecommission.dls.virginia.gov/

Virginia Conflict of Interest and Ethics Advisory Council

July 18, 2017

The Virginia Conflict of Interest and Ethics Advisory Council (the Council) met on July 18, 2017, in Richmond, with Judge Patricia West, chair, presiding.

The Council approved by majority vote the following proposed formal advisory opinion, as presented by Executive Director Stewart Petoe:



Formal Advisory Opinion 2017-F-XXX

Applicability of Public Procurement Act (§ 2.2-4300 et seq.) Exemptions to the Statutes Governing Personal Interests in Contracts in the Conflict(s) of Interests Acts §§ 2.2-3106, 2.2-3107, 2.2-3108, 2.2-3109, & 30-105.

Mr. Petoe gave a presentation on the disclosure requirements of Va. Code § 2.2-3115 (A). The Council approved a motion to reconsider Formal Advisory Opinion 2015-F-002 § 2.2-3115 Commission Filers. The Council requested that staff provide at the next Council meeting recommendations for legislative amendments as they relate to this issue along with the reconsidered formal advisory opinion.

Mr. Petoe gave a presentation to the Council on the disclosure requirements for local officials who perform the duties of constitutional officers. The Council unanimously approved a motion that local officials who perform the duties of a constitutional officer should file locally and not with the Council.

No public comment was offered.

Virginia Conflict of Interest and Ethics Advisory Council

The Honorable Patricia L. West, Chair

Stewart Petoe, Executive Director

804-698-1845

ethics.dls.virginia.gov/

Virginia Disability Commission

June 20, 2017

The Virginia Disability Commission (the Commission) met on June 20, 2017, in Richmond, with Delegate Brenda Pogge, chairwoman, presiding.

Presentation: Overview of Non-Emergency Medical Transportation Services

Cheryl Roberts, Deputy Director for Programs, Department of Medical Assistance Services (DMAS)

Ivory Banks, Division Director for Program Operations, DMAS

After receiving complaints from constituents regarding non-emergency medical transportation services provided by DMAS, the Commission requested that DMAS provide information on this issue. Ms. Banks began the presentation by explaining that when a member seeks transportation services, he will typically contact a broker. The broker then contacts the transportation provider and schedules the trip. Ms. Banks stated that DMAS enters into competitive agreements with brokers to participate in this process.

Ms. Banks explained that while DMAS strives to provide timely, efficient, and reliable transportation services, the agency commonly receives complaints from members. Such complaints include providers arriving late or not at all, as well as the drivers for many members changing from day to day. Ms. Banks said that DMAS is assessing options to remedy these problems and has established a quality assurance committee to monitor the quality of transportation services on a regional basis. DMAS has also issued a request for proposals (RFP) to solicit, through a bidding process, new companies interested in providing

transportation services to members throughout the Commonwealth. DMAS hopes to secure a new provider by April 2018.

In response to an inquiry by Senator David Marsden, Ms. Banks stated that DMAS expects to receive approximately six or seven responses to its RFP. Delegate Robert Orrock asked whether DMAS is billed in the instances in which a transportation provider does not show up for a scheduled trip, and Ms. Banks explained that it is not. Joseph Murray asked for additional information regarding the reasons providers are citing for their failures to arrive for scheduled services, such as traffic, overbooking, and weather conditions. Ms. Banks agreed to gather statistics from its current provider, Logisticare, on this issue for future review.

Gayl Brunk stated that there is a significant difference regarding the window of time providers are given to pick up and drop off members in comparison with the windows that are given to members to schedule such trips. Ms. Brunk further stated that DMAS is taking too long to remedy this issue as well as those noted above.

Following this discussion, Robin Fieureburg, a resident of Centreville and constituent of Senator Marsden, testified that her adult daughter is autistic and receives Medicaid-funded transportation services through DMAS. Ms. Fieureburg stated that her experience with Logisticare has been chaotic, noting that its drivers often arrive late or fail to arrive at all and consistently send different drivers each day to pick her daughter up for work. Moreover, Logisticare often transports her daughter to various locations to consolidate trips with other passengers, adding approximately 50 miles to her journey round trip. Despite voicing concerns to Logisticare representatives on many occasions, she has not seen any improvements. Ms. Fieureburg explained that these transportation problems are particularly difficult for someone with autism, and she further commented that Logisticare's performance is simply unacceptable.

Ed Turner stated that in assessing the Commonwealth's transportation services, DMAS should consider the model used in Fort Lauderdale, Florida. He explained that, under this structure, providers call members the night before a scheduled trip and provide them with a pickup window, and then call again 15 minutes before arrival. Mr. Turner believes this system would likely decrease the Commonwealth's rate of no-shows or late arrivals and make the transportation system more efficient overall.

Presentation: Communicating All of the Options for Children Who Are Deaf or Hard of Hearing; SB 983 and HB 1873 (2017)

Lori Bobsin, Coordinator, Aural Habilitation Program; Lee Hartman; Mitchell Harry

Ms. Bobsin testified before the Commission regarding Senate Bill 983 and House Bill 1873, which were introduced during the 2017 Session of the General Assembly. This legislation, which was promoted by Language Equality & Acquisition for Deaf Kids (LEAD-K), would have required the Division of Special Education and Student Services of the Department of Education to (i) select, with input from an advisory committee that it establishes, language development milestones and include such milestones in a resource for use by parents of a child from birth to age five who is identified as deaf, deaf-blind, or hard of hearing to monitor and track their child's expressive and receptive language acquisition and developmental stages toward English literacy; (ii) disseminate such resource to such parents; (iii) select existing tools or assessments for educators for use in assessing the language and literacy development of children from birth to age five who are deaf, deaf-blind, or hard of hearing; (iv) disseminate such tools or assessments to local educational agencies and provide materials and training on their use; and (v) annually produce a report, using existing data reported in compliance with the federally required state performance plan on students with disabilities, that compares the language and literacy development of



children from birth to age five who are deaf, deaf-blind, or hard of hearing with the language and literacy development of their peers who are not deaf, deaf-blind, or hard of hearing and make such report available to the public on its website.

Ms. Bobsin stated that, with modern technology and advanced practices, children with hearing problems can learn to communicate through spoken language. She further stated that early intervention strategies, which were one of the goals of the aforementioned legislation, are already in place within the Commonwealth to identify hearing problems in children at an early age and provide them with the support they need to acquire adequate communication skills. Referencing Senate Bill 983 and House Bill 1873, Ms. Bobsin stated that LEAD-K supporters have spoken out against various practices used to teach children to listen and speak. Ms. Bobsin said that LEAD-K instead emphasizes deaf children learning a visual language as their birthright. Specifically, LEAD-K promotes sign language first and speaking second.

Ms. Bobsin disagrees with this practice, stating that children should be taught auditory skills first, followed by sign language, because children older than age three have a harder time learning to speak and sign language skills are not nearly as age dependent. Ms. Bobsin stated that, with the right tools in place and newly available technology, children can develop communication skills equal to their peers very early. Upon inquiry by Chairwoman Pogge regarding the accessibility and cost of cochlear implants, Ms. Bobsin explained that Medicaid covers the cost for anyone eligible under the program and that private insurance normally covers the cost of the surgery but not secondary costs such as necessary batteries. Ms. Brunk noted that in addition to cost concerns, another issue regarding cochlear implants is that many parents are not aware of them. Ms. Bobsin agreed, commenting that awareness of cochlear implants needs to be spread across the Commonwealth and better access to experts in this area secured throughout the rural portions of the state.

Ms. Bobsin further opined that the LEAD-K bills do not promote children's choice to decide whether they want to pursue auditory or sign communication avenues. Ms. Bobsin further noted that children who are taught only sign language are limited to using a much smaller set of words than those with auditory skills. Michael Lewis pointed out that children who are taught sign language, as opposed to auditory communication, will not be able to attend school in a regular classroom unless they have an interpreter. Ms. Bobsin agreed, noting that interpreters are great but not always attainable.

Lee Hartman testified that parents should have the choice to decide what is best for their children, noting that many believe it is better to teach them auditory skills first. Mr. Hartman explained that he went through this process with his son, Charlie. After Charlie was diagnosed with severe hearing deficiency and the family sought significant help, it appeared he would never be able to hear or speak. But later, Mr. Hartman took Charlie to the University of Virginia (UVA), where he ultimately received cochlear implants. Charlie is now able to hear and speak. Mr. Hartman voiced sincere appreciation for UVA's assistance and stated that all parents should be given the choice to provide a similar opportunity to their children.

Mitchell Harry testified that he is a deaf adult. Mr. Harry explained that although he could not hear when he was born, he received cochlear implants and hearing aids when he was two and one-half years old that enabled him to hear and begin learning to speak. Mr. Harry testified that these implants, coupled with hard work, helped him to gain independence, earn an undergraduate degree from UVA, secure a job, and acquire the tools he needs to succeed in the future.

Discussion: 2016 Update

Sarah Stanton, Senior Attorney, Division of Legislative Services

Ms. Stanton provided the following update regarding the Commission's 2016 recommendations. The full text of the Commission's 2016 recommendations can be found on the Commission's website.

1. The proposed budget amendment to create an exception to the prohibition of overtime pay for Medicaid-reimbursed consumer-directed personal assistance services, respite, and companion services was not included in the final budget.
2. The proposed budget amendment to establish an Interagency Implementation Team to implement a statewide program for delivering comprehensive brain injury services in the Commonwealth was not included in the final budget.
3. Senate Bill 983 and House Bill 1873 (LEAD-K legislation) did not pass.
4. A letter was sent to the Department for Aging and Rehabilitative Services (DARS) requesting that it begin the process of shifting funding for long-term employment support services from segregated, sheltered employment settings to integrated community-based employment opportunities. DARS will provide the Commission with an update on this issue at a later meeting during the 2017 interim.
5. A letter was sent to the Department of Behavioral Health and Developmental Services (DBHDS) requesting that it develop a method to efficiently gather data that will better identify all individuals receiving employment support services, the specific type and amount of services being provided to each individual, the duration of such services, and the employment outcomes of individuals receiving such services. DBHDS will provide the Commission with an update on this issue at a later meeting during the 2017 interim.
6. The Commission will, as part of its 2017 work plan, attempt to identify and analyze methods that can be used to increase the Commonwealth's employment opportunities for individuals with disabilities.

Public Comment

Patricia Harris, a supporter of LEAD-K, stated that she has a deaf son and, when he was young, had a very difficult time getting him the services he needed. She said that her family reached out to the Commonwealth's early intervention program for assistance but was given little help. Ms. Harris asked that the Commission support the LEAD-K legislation to help children like hers.

Lauren Good, a social worker and supporter of LEAD-K, testified that many deaf children develop a host of negative issues from their lack of communication abilities, such as behavioral issues. She further opined that the cochlear implant industry is concerned more with their profit margin and that the practices used in coordination with the implants are geared more toward teaching children about sound than about how to communicate. It was her opinion that the LEAD-K legislation would help parents by providing them with guidance and options regarding their deaf children.

Star Bryzer, another LEAD-K supporter, testified that LEAD-K's goal is to provide deaf children with communication skills, regardless of the type of communication. She stated that LEAD-K continues to see children who cannot communicate. She said that in light of the advancements that have been made in this field, all deaf children should be able to communicate in some fashion and that LEAD-K wants to help solve this problem in Virginia. Another gentleman commented that when he sought help for his



deaf child, his doctor tried to persuade him to use cochlear implants and never mentioned anything about sign language as an alternative. He further stated that the Commonwealth lacks information resources for parents regarding sign language.

Adam Jones, another parent of a child with hearing problems, testified that North Carolina uses a program known as “Beginnings” that provides information to parents regarding resources and unbiased options for their deaf children. He stated that this program has been very helpful to his family and recommended that the Commonwealth implement something similar. Chairwoman Pogge recognized that the Commonwealth has room for improvement in this area and explained that the Commission will continue to assess options in this regard, including a focus on better screening procedures.

Finally, Dawn Brantley testified on behalf of an individual with a disability who has been subpoenaed to testify at a criminal trial in Virginia. She explained that the gentleman is a quadriplegic and lives out of state. When subpoenaed to testify, he requested a disability exemption that would allow him to testify telephonically or by video because traveling out of state would be detrimental to his health. The judge denied his request on the basis that Virginia law does not provide for telephonic or video testimony in criminal cases. Ms. Brantley recommended that the Commission address this issue during the 2018 Session of the General Assembly.

Virginia Disability Commission

Delegate Brenda Pogge, Chairwoman

David May, DLS Attorney

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dls.virginia.gov/commissions/vdc.htm

Commission on Electric Utility Regulation

August 2, 2017

The Commission on Electric Utility Regulation (the Commission) met on August 2, 2017, in Richmond to receive reports from the Commonwealth’s two largest investor-owned electric utilities. The reports focused on the changes to Virginia’s electric utility industry in the 10 years that have followed the enactment of the 2007 re-regulation legislation. Senator Thomas Norment, chair of the Commission, noted in his opening remarks that a review of the status of the electric utility industry is appropriate in light of recent developments that have underscored the importance of reliable and sustainable generation of electric power.

In 1999, the General Assembly enacted Senate Bill 1269, the Electric Utility Restructuring Act, which established a process for implementing retail competition for electric generation. Under this Act, retail customers were expected by January 1, 2004, to be able to choose their provider of generation service from competing service providers. During a transition period initially scheduled to expire in 2007, retail rates were capped. However, a competitive market for generation did not develop as anticipated. In 2007, the General Assembly enacted identical bills - Senate Bill 1416 and House Bill 3068 - that curtailed the move to retail competition and provided for the re-regulation of Virginia’s electric utility industry. This legislation (collectively the re-regulation act) established a new mechanism for setting and biennially reviewing base rates. It also authorized the recovery of certain costs, including those related

to transmission, environmental regulation, and investments in new generation facilities, through rate adjustment clauses.

Dominion Energy Report

Mark O. Webb, Senior Vice President - Corporate Affairs and Chief Legal Officer, Dominion Energy

Mr. Webb outlined four key elements of providing reliable electric service: generation, transmission, distribution, and customers. His remarks covered aspects of the history of the 2007 re-regulation act. Prior to the start of the 2007 Session of the General Assembly, electricity rates were surging in Maryland and several other states that had deregulated their electric utilities. At that time, natural gas was expensive and solar energy was uneconomical. Only California exceeded Virginia in a ranking of states in order of their importation of energy. No new generation capacity was being constructed in Virginia. A lack of capital precluded the completion of many planned projects. The Clover power station was the only base load generation facility that had been added in recent years.

Mr. Webb stated that implicit goals of the re-regulation act were to incentivize utilities to invest in generation facilities in Virginia and to maintain low electricity rates. He observed that the re-regulation legislation was successful in incentivizing new generation within the Commonwealth, even after the 2008 recession unsettled capital markets.

Mr. Webb also lauded the enactment of Senate Bill 1349 in 2015. This measure, patroned by Senator Frank Wagner, suspended biennial reviews by the State Corporation Commission (SCC) of the rates, terms, and conditions for any service of Virginia's two largest investor-owned electric utilities during a transitional period. The legislation, per Mr. Webb, addressed uncertainties posed by the proposed federal Clean Power Plan and other environmental regulations. He credited Senate Bill 1349 with unleashing solar energy development. He noted that since the passage of Senate Bill 1349, Dominion Energy has absorbed nearly \$500 million in costs. In response to a question posed by Senator Norment, he elaborated that the bulk of these costs (\$400 million) involved closing legacy coal ash ponds. Of the balance, \$85 million was attributed to elevated fuel costs tied to the polar vortex and \$25 million to repairing storm damage, most of which was caused by Hurricane Matthew.

Dominion Energy's report cited the following as successes resulting from the re-regulation act:

- The construction of five large-scale generation facilities in Virginia, including natural gas-fueled power stations in Brunswick, Warren, Buckingham, and Greensville Counties, as well as biomass conversions at other facilities;
- More than 73,000 construction-related jobs and 730 permanent new jobs;
- Over \$11.5 billion in economic activity supported by construction of these facilities; and
- Investments of \$2.8 billion resulting from environmental policy changes.

Other results attributed to the re-regulation act include a 26 percent reduction in reliance on out-of-state energy purchases and a 20 percent reduction in carbon emissions, both of which have occurred since 2008. Between 2007 and 2016, the percentage of Dominion Energy's electricity sourced from coal has fallen from 35 percent to 25 percent, and the percentage purchased on the wholesale market has fallen from 26 percent to 8 percent. Over that same period, the percentage of Dominion Energy's electricity sourced from natural gas has increased from 6 percent to 30 percent, and the percentage sourced from zero carbon (including nuclear) and renewable sources has increased from 29 percent to 34 percent.



Mr. Webb reported that the re-regulation act and Senate Bill 1349 have succeeded in providing low rates for Dominion Energy's customers. As of January 1, 2017, the annualized rate for residential customers, based on 1,000 kWh of usage per month, of 11.6 cents/kWh is lower than the Virginia average rate of 12.4 cents, the national average rate of 13.4 cents, and the average of the rates of states participating in the Regional Greenhouse Gas Initiative (RGGI) of 17.4 cents. As of the same date, the annualized rate for an industrial customer with 1,000 kWh demand and 650,000 kWh of usage per month was 5.7 cents/kWh. The corresponding industrial rates were 6.6 cents for customers in Virginia's peer group of southeast states and 7.5 cents in CNBC's "Top Ten States for Business: 2017." The national average was 8.1 cents, and the average of the rates of states participating in RGGI was 11 cents. Of the states in CNBC's "Top Ten States for Business: 2017," Virginia's industrial rate was the lowest. In response to questions by Delegate Jackson Miller, Dominion Energy spokesman William Murray noted that Virginia generally has the sixth lowest industrial rates among all of the states, with cheaper power being located primarily in western states with access to hydroelectric power and in Louisiana and Iowa. With regard to residential rates, Virginia usually ranks among the lowest 10 or 15 states, with the ranking in any specific year determined in part by the timing of rate cases.

In response to a question by Senator Wagner, Mr. Murray stated that though it has fluctuated during the period, Dominion Energy's residential rate is currently the same (11.6 cents/kWh) that it was at the time of the enactment of Senate Bill 1349. With regard to industrial rates, Mr. Murray noted that the current rate (5.7 cents/kWh) is less than it was when the bill was enacted in 2015 (6.1 cents/kWh).

Senate Bill 1349 was credited with contributing greatly to solar energy development in Virginia, which now consists of 443 MW in operation or under construction. Mr. Webb cited the increase in the acreage of solar projects from 138 acres before the bill's enactment to over 4,683 acres today. Dominion Energy is purchasing energy from 143 projects owned by third parties. Dominion Energy was characterized as a leader in partnering for solar energy projects. In response to Delegate Miller's question about the location of future solar projects, Mr. Webb concurred that most of the new capacity would be located on farmland or forestland, as such installations are cheaper than installations on existing structures, and he conceded that the loss of the use of agricultural and silvicultural land is not factored into the cost of the project.

Another aspect of Senate Bill 1349 was its directive for bill assistance and weatherization. A \$42 million incremental program has been funded by the utility's shareholders and not by its customers. An innovative program with the Department for Aging and Rehabilitative Services and the Department of Veterans Services pairs energy vouchers and housing vouchers. Since the EnergyShare program has expanded, 26,575 families and individuals have received bill assistance and 16,224 homes have been weatherized.

In conclusion, Mr. Webb identified several areas of challenges. First, to guard against fuel volatility and risks, he advocated fuel diversity, resource planning, and preparation for effects of carbon regulation. He also endorsed ensuring that rates maintain competitiveness when compared to those of other states and continuing to make energy independence a top priority amid regulatory uncertainty. Second, facing the challenges posed by the greening of the grid will require preparing the energy grid for a two-way flow of electricity, incorporating additional energy storage, and improving energy efficiency by providing customers with additional information. A smart grid is viewed as both more environmentally friendly and more resilient than the existing system. Other challenges to Dominion Energy include reducing the number of outages, improving the speed at which power is restored, undergrounding the most outage-prone distribution lines, and addressing needs for both physical security and cybersecurity. In response

to a question raised by Senator Wagner, Mr. Webb noted that Dominion Energy is looking at microgrids as a means of improving reliability.

Senator Wagner asked about the status of a new nuclear facility at North Anna in light of the announced termination of a nuclear facility in South Carolina. Mr. Webb reported that Dominion Energy has obtained a joint operating license for North Anna III but has suspended development work while looking for the point at which it will be an economically viable project for its customers.

Delegate Kenneth Plum's question regarding the feasibility of additional wind power in Virginia prompted Mr. Webb to note that solar power is currently cheaper for Dominion Energy than wind power. Obtaining site approvals for onshore wind projects has been difficult. The utility is proceeding with a small offshore wind demonstration project that offers the opportunity to determine if the current high costs of power from such projects can be reduced in the future.

Discussion of Dominion's proposal to construct a transmission line over the James River focused on the status of the project and the use of mitigation payments. Though two lawsuits have been filed to challenge the project and the related issue of the ability to operate the Yorktown power plant, Mr. Webb stated that the utility has been able to do onshore work and that the project remains on schedule.

APCO Report

Ronald J. Jefferson, Manager of External Affairs, Appalachian Power Company (APCO)

Mr. Jefferson began by observing that APCO is experiencing flat load growth in its Virginia service territory. He attributed this in part to flat or declining population levels and noted that about 90 percent of its half million customers are residential. APCO recognizes the need to bring industrial load back to its territory. In response to a question by Senator Norment, Mr. Jefferson reported that APCO has an economic development rider that provides a discounted demand rate in an effort to attract new and expanded businesses. Mr. Jefferson replied to an inquiry by Senator Richard Saslaw that APCO does not serve any data centers in its Virginia territory. In comparison, data centers are a major source of growth of demand in Dominion Energy's territory, particularly in fiber-rich areas of Northern Virginia, and Amazon is now Dominion Energy's largest customer. APCO has certified data center sites in an attempt to attract data centers. Mr. Jefferson noted that new industrial customers are needed to replace coal industry sites that have closed.

Mr. Jefferson reported that APCO's rates have remained stable since 2010. While there has been some fluctuation, its residential rate was 11.56 cents/kWh in January 2010 and 11.69 cents/kWh in July 2017. This period of stable rates followed a period of rising rates. In 2005, the company's rate was around six cents/kWh. Mr. Jefferson attributed the rate stability since 2010 to the 2007 re-regulation act, which has allowed the recovery of certain costs through rate adjustment clauses, which have been mitigated by lower fuel costs. Looking forward, he does not envision any "large spends," and he sees continued rate stability.

APCO's residential rates produce a monthly average bill, based on usage of 1,000 kWh, of \$115.41. This figure compares favorably with the Virginia average (\$123.73), the national average (\$133.99), and the East Coast average (\$149.50). Mr. Jefferson noted that APCO's commercial rate of 6.1 cents/kWh is very close to Dominion Energy's rate of 5.7 cents/kWh.

APCO has adopted a different strategy from Dominion Energy with respect to renewable power by focusing investment on wind power rather than solar energy. Mr. Jefferson explained this course by noting that APCO is a winter-peaking utility, while Dominion Energy is summer-peaking. A colloquy with Senator Saslaw resulted in the conclusion that this difference is largely due to the absence of



natural gas distribution in much of APCO's territory, which has resulted in more residential use of electricity for home heating, and to the fact that the housing stock in APCO's territory tends not to be as well-insulated. As a result, APCO's peak demand times are winter mornings when customers turn up the heat upon waking, while Dominion Energy's peak demand times tend to be summer afternoons when customers crank up air conditioning upon arriving home from work.

Mr. Jefferson discussed his utility's integrated resource plan's anticipated fuel capacity mix, which he characterized as planning for a clean energy future. From 2017 to 2031, the percentage of capacity derived from coal is forecast to decline from 61 percent to 51 percent and the percentage of capacity derived from natural gas is forecast to decline from 19 percent to 11 percent. Over the same period, the percentage of capacity derived from wind and solar resources is forecast to increase from five percent to 25 percent. A review of APCO's fuel energy mix, which illustrates the power sources actually used to provide electricity, shows that the share of the utility's power provided by coal and natural gas will decline over the period from 93 percent to 80 percent, and the share of the utility's power provided by wind and solar resources will increase from four percent to 18 percent.

While the utility has adequate capacity, Mr. Jefferson explained that its ability to meet its capacity requirement is due in part to PJM Interconnection's requirement that utilities be able to meet their summer peak demand. Because APCO is a winter-peaking utility, it can meet its summer peak demand while being a little "energy short" in some winter months. The utility is meeting this shortfall by investing in wind and solar power. Its transitioning to greener generation makes sense to the company from an energy perspective. Mr. Jefferson noted that APCO has obtained regulatory approval to construct the Bluff Point wind project. This 120 MW project, together with wind projects at Hardin (175 MW) and Beech Ridge (50 MW), for which approvals are pending, will get the utility to a total of 720 MW of wind power. With respect to solar, APCO has issued a request for proposals and expects to make an announcement of its results soon.

Other major investments by APCO include investments in the transmission grid. The Cloverdale transmission project, which involved an investment of \$250 million, is completed. Mr. Jefferson also described the company's use of the option for local approval of transmission lines of 138 kV on a project in Henry County that has allowed an industrial development "megasite" to qualify as a Tier 5 site.

In response to a question by Delegate Plum regarding APCO's dependence on coal, Mr. Jefferson reported that the utility has two coal-fired facilities (Amos and Mountaineer) serving its Virginia customers. He noted that the utility has spent substantial sums to allow them to operate in compliance with federal regulations.

Conclusion

At the close of the meeting, Senator Norment announced that at the Commission's next meeting the SCC will be asked to share its observations on the effect of the 2007 re-regulation legislation on the utility regulatory process.

Commission on Electric Utility Regulation

Senator Thomas K. Norment, Jr., Chair

Frank Munyan, DLS Senior Attorney

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dls.virginia.gov/commissions/eur.htm

Joint Commission on Technology and Science

August 9, 2017

The Joint Commission on Technology and Science (JCOTS) held its second meeting of the 2017 Interim on August 9, 2017, in Richmond, with Delegate Rich Anderson, chairman, presiding. While only six members were present, since no binding action was necessary, the meeting proceeded without a quorum.

Presentation: Fraudulent Diplomas, Certifications, and Licenses

Chris Jackson of CeCredential Trust, a Division of Paradigm, Inc.

Mr. Jackson explained that because diplomas, certifications, and licenses are valuable in attaining jobs, there is a widespread issue of fraud surrounding them. He provided a video clip from a national news source that outlined the ease of obtaining false documents and the lack of legal remedies in protecting valid documents. According to the video clip, it can be illegal to use false documents, but it is legal to buy them. Mr. Jackson indicated that in order to have both portability to use documents and security in their validity, his company validates official documents with tamper-proof pdfs. The technology allows employers, school officials, and other interested parties to use the official website of the document issuer to validate a document using the unique code assigned to it.

After Mr. Jackson's presentation, Delegate Glenn Davis thanked Mr. Jackson and stated that his purpose in inviting Mr. Jackson was to introduce the topic as one that the full commission might be interested to recommend to the General Assembly in 2018. Chairman Anderson stated that the topic was clearly one of importance, and he asked that Delegate Davis work on draft legislation with staff to present at the next full commission meeting.

House Bill 2459 (2017) Work Group Report

Staff gave a report on the work group meeting that took place July 12, 2017, on the topic of House Bill 2459 (2017), which would prohibit selling wireless communications devices with picture-capturing technology to minors. The bill was referred to JCOTS by the House Committee for Courts of Justice (Courts Committee). Staff reported that the bill's sponsor, Delegate Bob Marshall, presented the bill to the group consisting of JCOTS members, industry representatives, and constituents. Because of the broad nature of the bill, the many ways that a minor could obtain such a device, and the many other devices that could be used in place of a covered device, the group decided not to recommend the bill to the full commission. Following the meeting, staff circulated an amended version of the bill that was not adopted by the Courts Committee, but no action was taken by the group.

JCOTS Studies

Staff next gave updates on two JCOTS studies that are currently underway. The first is a working group on the topic of Denbigh Aviation Academy (Denbigh). Denbigh is a magnet school in Newport News with a focus on piloting, aircraft maintenance, engineering, computers, and electronics. Staff reported that Denbigh will be presenting to a group of education officials, STEM representatives, and aviation and aerospace industry representatives to talk about Denbigh's curriculum and efforts to develop an experienced, capable workforce in the Commonwealth. This information will facilitate the group's interest in spreading Denbigh's success throughout the Commonwealth.

The second JCOTS study is a working group on the topic of FAA environmental regulations that impose difficult permitting burdens on aircraft maintenance and repair facilities in the Commonwealth. That



project was originally intended to be undertaken by a subcommittee, but given the technical nature of the topic, the study will proceed at the direction of staff.

ULC Uniform Statute: Uniform Regulation of Virtual Currency Businesses Act

Staff briefed the commission on a uniform statute published by the Uniform Laws Commission (ULC). The ULC is a group of appointed, volunteer attorneys representing every state that drafts and publishes model and uniform laws on subjects on which uniformity across the states is desirable and practicable. Upon publication, states are free to adopt the statutes into their own codes. The statute discussed, Uniform Regulation of Virtual Currency Businesses Act, sets out a uniform license for businesses that facilitate transactions between buyers and sellers of virtual currency, such as Bitcoin. Staff explained the underlying technology of Bitcoin, known as a blockchain, and outlined the major provisions of the uniform law. JCOTS members emphasized the importance of being aware of this new technology and its lasting impact in the future.

Transatlantic Fiber-Optic and Dark Fiber Cables Project

At the conclusion of the agenda items, Chairman Anderson invited Bob Matthias of Virginia Beach to speak regarding the high-speed cables that are nearing completion in the area. These cables connect Bilbao, Spain, to Virginia Beach and will be used to provide high-speed information from Europe to the entire U.S. Eastern Seaboard. The cables have more capacity than every other similar cable on the Eastern Seaboard combined. They will be operational next month. Mr. Matthias stated that the cables and accompanying hardware are adjacent to navy-owned easements, which provides plenty of land and electricity to power the project. The navy has reportedly been extremely cooperative in bringing in the cables. One concern that has been addressed is the fear that Russian-owned vessels could tap into the cables off the U.S. coast. Mr. Matthias stated that, at this time, the technology to do that at such a depth does not exist. Mr. Matthias said that the city intends to meet with U.S. Senator Tim Kaine about the project next month. There will be a technical briefing on the project at the next full JCOTS meeting on December 6, 2017.

No public comment was offered.

Joint Commission on Technology and Science

Delegate Richard L. Anderson, Chair

David Barry, Executive Director and DLS Attorney

804-698-1865

dls.virginia.gov/commission/jcots.htm

Joint Subcommittee to Study Mental Health Services in the Commonwealth in the 21st Century

June 12, 2017

Work Group #1 (Service System Structure and Financing) of the Joint Subcommittee to Study Mental Health Services in the Commonwealth in the 21st Century held its first meeting of the 2017 interim on June 12, 2017, at the Capitol in Richmond, with Senator Emmett Hanger, presiding.

Update on Activities of the Service System Structure and Financing Expert Advisory Panel

Richard Bonnie, Director, Institute of Law, Psychiatry and Public Policy, University of Virginia School of Law

Dr. Bonnie, Chair of the Service System Structure and Financing Expert Advisory Panel (the Panel), provided an update on the activities of the Panel. Dr. Bonnie noted that at the beginning of the 2016 interim, the Panel concluded that the existing service system structure should be preserved and, rather than making significant changes to the system, the General Assembly should focus on addressing nine key needs identified as necessary for improving the statewide system of delivering publicly funded mental health services for children and adults. These included (i) ensuring access to a full array of core services; (ii) aligning services provided and mechanisms of accountability across the system and providers; (iii) assuring timely, safe, and effective provision of emergency services; (iv) developing an integrated data system to collect, protect, and ensure the appropriate and timely sharing of data; (v) identifying and utilizing the most appropriate criteria and measures for monitoring outcomes and performance; (vi) strengthening oversight and authority of the state to ensure that goals of the publicly funded mental health system are being met; (vii) facilitating local and regional cooperation in providing services; (viii) developing an effective system of reeducating, training, and retaining a skilled workforce; and (ix) using such workforce effectively and efficiently to provide necessary services. Actions taken during the 2017 Session of the General Assembly indicate that the General Assembly has begun to address some of these issues.

Looking forward to the 2017 interim and beyond, Dr. Bonnie reported that the Panel will continue to focus on (a) realigning the fiscal relationship between the state hospitals and community services boards; (b) monitoring efforts of the Departments of Medical Assistance Services and Behavioral Health and Developmental Services to align mental health services provided to uninsured clients of community services boards with those provided to Medicaid covered clients enrolled in managed care; (c) developing and supporting an integrated data system to collect and share information about individuals served, services provided, and the outcomes and impacts of those services; (d) developing criteria and measures of outcomes for publicly funded services; and (e) supporting the integration of behavioral health and primary medical care services. The Panel will also begin to examine the authorities and responsibilities of state agencies in delivering mental health services and the roles, needs, and responsibilities of local governments in the delivery of mental health services in the Commonwealth. The Panel will also continue to monitor federal actions related to health care reform.

More information on the work of the Service System Structure and Financing Expert Advisory Panel can be found on the Joint Subcommittee's website.

Update on Activities of the Department of Behavioral Health and Developmental Services

Jack Barber, Interim Commissioner, Department of Behavioral Health and Developmental Services

Dr. Barber provided an update on activities of the Department of Behavioral Health and Developmental Services. He provided an overview of current demands on the public behavioral health system and recent successes in reducing waiting lists and improving access to services. Dr. Barber also described current challenges facing the public behavioral health system and recent successes in transforming the system, including progress in implementing the STEP-VA model. Key among these successes is the implementation of same-day access to assessment and screening. Funding provided by the General Assembly during the 2017 Session will allow 18 community services boards to move forward with implementation. Dr. Barber also highlighted the work being done in service process quality management, next steps for implementation of STEP-VA, efforts to provide behavioral health services



for uninsured Virginians, workforce issues affecting state hospitals, an increase in the number of individuals on the extraordinary barriers to discharge list, the impact of stable housing on state hospitals and permanent supportive housing initiatives underway in the Commonwealth, and the status of the justice-involved transformation team's recommendations. Dr. Barber's presentation can be found on the Joint Subcommittee's website.

Update on Development of an Alternative Transportation Model Pursuant to House Bill 1426 (2017)/Senate Bill 1221 (2017)

*Will Frank, Director of Legislative Affairs, Department of Behavioral Health and Developmental Services
Shannon Dion, Director of Policy and Legislative Affairs, Department of Criminal Justice Services*

Mr. Frank and Ms. Dion provided an update of activities related to development of an alternative transportation model pursuant to House Bill 1426 and Senate Bill 1221. The bills directed the Commissioner of Behavioral Health and Developmental Services and the Director of Criminal Justice Services, in conjunction with relevant stakeholders, to develop a model for the use of alternative transportation providers to provide safe and efficient transportation of individuals involved in emergency custody or involuntary admission process as an alternative to transportation by law enforcement. The legislation provided that the model should include criteria for the certification of alternative transportation providers, including the development of a training curriculum required to achieve such certification, and should identify the appropriate agency responsible for providing such training and such certification. The legislation also directed the Commissioner and the Director to identify any barriers to the use of alternative transportation in the Commonwealth and detail the costs associated with the implementation of such a model, along with the cost savings and benefits associated with the successful implementation of such a model. The Commissioner and the Director are required to complete the model by October 1, 2017, and to report on the model to the Joint Subcommittee to Study Mental Health Services in the Commonwealth in the 21st Century, the House Committee for Courts of Justice, and the Senate Committee for Courts of Justice.

Mr. Frank and Ms. Dion reported that a work group of relevant stakeholders has been formed and that two meetings were held in May to begin the work of developing a model of alternative transportation that focuses on recovery and provides a true alternative to transportation by law enforcement. A third meeting is scheduled for late July and the work group plans to have a draft report available for review by work group participants by August 1. The final report will be made available to the General Assembly by October 1, 2017.

An electronic copy of the presentation can be found on the Joint Subcommittee's website.

Update on Activities of the Crisis and Emergency Services Expert Advisory Panel

John Oliver, Chair, Crisis and Emergency Services Expert Advisory Panel

Mr. Oliver provided an update on the activities and priorities of the Crisis and Emergency Services Expert Advisory Panel (the Panel) for the 2017 interim. Mr. Oliver noted that during the 2016 interim, the Panel identified four challenges to the emergency mental health services system as top priorities for reform. These included the need for (i) psychiatric emergency centers to provide assessment of and care for individuals experiencing mental health crisis; (ii) increased use of tele-psychiatry to facilitate timely assessment, including pre-admission screening by community services board evaluators, of and treatment for individuals experiencing mental health crisis in underserved areas of the Commonwealth; (iii) alternatives to transportation by law enforcement for people experiencing mental health crisis; and (iv) a standardized set of emergency mental health services that should be available to all individuals

experiencing mental health crisis, regardless of where in the Commonwealth that person is located. Looking ahead to 2017, the Panel will focus on these issues as well as the need for a more robust system of mandatory outpatient treatment.

An electronic copy of the presentation can be found on the Joint Subcommittee's website.

Additional information about the following initiatives can be found on the Joint Subcommittee's website:

- Developing a Pilot Psychiatric Emergency Center
- Tele-mental Health in Emergency Settings
- Variation in Mental Health Services and Funding across Community Services Boards

Presentation on Work of the Farley Health Policy Center of the University of Colorado School of Medicine in the Commonwealth

Benjamin Miller, Director, Farley Health Policy Center, University of Colorado School of Medicine

Dr. Miller presented on the work of the Farley Center and policy considerations for advancing mental health in the Commonwealth. Dr. Miller began by emphasizing the need to create a culture of whole health that integrates behavioral health and primary care. He reported that the Farley Center had received a \$1 million grant from the Robert Wood Johnson Foundation to advance the integration of care by providing technical assistance to policy makers and piloting efforts to better connect health care stakeholders. Key elements to be addressed in any process of integration include:

- Access - developing a "no wrong door" policy for entry into the service system
- Attribution - determining who holds the risk for people with mental health needs
- Accountability - holding those involved in the delivery of mental health services accountable in meeting mental health service needs
- Alignment - ensuring that state agencies and other stakeholders are working together in an integrated model of service delivery
- Analytics - building upon a foundation of data and information to develop an effective and efficient service system
- Ask - determining what the Commonwealth needs to do to move forward in developing and implementing an effective, integrated service system.

Dr. Miller noted that Virginia has a unique opportunity to make transformative systems changes that fully integrate behavioral and primary health care. Guiding principles for such a transformation might include standards for mental health and substance use services; oversight of delivery and financing; transparency of process; and accountability of goals, including costs, outcomes, and other quality measures. Five key areas of focus for the Commonwealth include: standards of care and competencies for delivery across multiple settings; workforce; data, information exchange, and coordination of care; payment reform; and development of sound policies to support transformation and integration.

An electronic copy of the presentation can be found on the Joint Subcommittee's website.



Discussion of 2017 Work Plan

The work group members briefly discussed options for the work plan for the 2017 interim. Staff will coordinate with work group members to develop a plan and will make the plan available at the next work group meeting.

Joint Subcommittee to Study Mental Health Services in the Commonwealth in the 21st Century

Senator R. Creigh Deeds, Chair

David Cotter, DLS Senior Attorney

Charles Quagliato, DLS Attorney

Sarah Stanton, DLS Senior Attorney

Tom Stevens, DLS Attorney

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Commission on Unemployment Compensation

August 22, 2017

The Commission on Unemployment Compensation (CUC) met on August 22, 2017, with Delegate Lee Ware, chairman, presiding.

The duties of the CUC include evaluating the impact of existing statutes and proposed legislation on unemployment compensation and the Unemployment Trust Fund (trust fund) from which unemployment compensation benefits are paid to claimants. The CUC is also charged with assessing the Commonwealth's unemployment compensation programs, examining ways to enhance the effectiveness of these programs, and monitoring the current status and long-term projections for the trust fund.

Status of Virginia's Unemployment Trust Fund and Related Matters

Ellen Marie Hess, Commissioner, Virginia Employment Commission (VEC)

Status of the Trust Fund

The trust fund's balance on January 1, 2017, was \$949.4 million. One year earlier, the balance was \$749.8 million. The solvency level of the trust fund on June 30, 2017, is projected to be 77.1 percent. On June 30, 2016, the solvency level was 68.5 percent. As a result of the unemployment compensation system's countercyclical funding system, the increase in the trust fund's solvency level has reduced the state unemployment tax rates, which reduction has contributed to a decline in state unemployment tax revenue from \$566.1 million in 2016 to an estimated \$479.6 million in 2017.

The VEC predicted that the trust fund's June 30 solvency level will increase to 78 percent in 2018 and thereafter will fall to 76 percent in 2019 and 71 percent in 2020. The balance in the trust fund is expected to grow from \$1.202 billion on June 30, 2017, to \$1.231 billion on June 30, 2018, and to fall back to \$1.218 billion on June 30, 2019.

The average total state unemployment tax per employee is expected to decline throughout the period 2017-2020. This average tax, which excludes the federal unemployment tax assessment but includes the

pool tax and fund builder tax, rose from \$99 in 2008 to \$236 in 2012, then fell to \$234 in 2013, to \$221 in 2014, to \$194 in 2015, and to \$157 in 2016. For 2017, the average total state tax was forecast to decline to \$122 per employee, of which \$119.60 was base tax and \$2.40 was pool tax. The fund builder tax of 0.2 percent of an employee's first \$8,000 of wages, which was assessed from 2010 through 2015, has not been assessed in the two most recent years and is not forecast to be assessed through at least 2020 because the trust fund's solvency level is not expected to fall below 50 percent in any of those years. The average tax per employee is projected to be \$103 in 2018, \$100 in 2019, and \$98 in 2020.

A substantial share of the decline in the average total state unemployment tax per employee is attributable to the reduction in the pool tax. The pool tax is set at a level calculated to collect the amount of benefits that cannot be charged to a specific employer. The per-employee average pool tax reached \$42.40 in 2012. From that peak, it has fallen to \$2.40 in 2017. Another cause of the decline in the per-employee tax level is the increase in the number of employers whose base tax rate, computed using their experience rating, is assessed at the minimum rate of 0.1 percent of an employee's first \$8,000 of wages. The percentage of employers assessed at the minimum base tax rate increased from 60.4 percent in 2016 to 64.5 percent in 2017.

Employment data

Commissioner Hess reported that Virginia's unemployment rate (not seasonally adjusted) for both June and July 2017 was 3.9 percent. This level is lower than the corresponding rates for the preceding two years. Virginia's unemployment rate for June 2017 was the lowest of the unemployment rates in the six jurisdictions composing the area within the Fourth Circuit Court of Appeals. The nation's unemployment rate was 4.5 percent in June 2017; one year earlier, the corresponding rate was 5.1 percent.

Virginia's labor force participation rate for June 2017 was 66.3 percent, which is an increase from the corresponding rate for June 2016 of 64.8 percent. Virginia's labor force participation rate for June 2017 exceeded the corresponding rates for the United States of 63.3 percent. In response to questions by Delegate Ware regarding the workforce participation rate, VEC economist Jim Wilson stated that the rate is determined by dividing the number of individuals in the Commonwealth's civilian labor force, using data from the U.S. Bureau of Labor Statistics, by the non-institutionalized civilian population age 16 or older, using data provided from the U.S. Bureau of the Census and the Weldon Cooper Center at the University of Virginia.

A comparison of Virginia's over-the-year growth in non-farm employment to corresponding national data reveals that Virginia's growth rate has been less than or equal to the national rate since the second half of 2016. Virginia's job growth rate, which out-performed the national economy from 2008 to early 2011 and from mid-2015 until the second half of 2015, also lagged behind the national rate of growth in non-farm employment from 2011 through mid-2015.

Claims data

Total initial claims for unemployment benefits for the first six months of 2017 were 91,460, which is fewer than the 96,306 initial claims filed during the first half of 2016. If the trend continues for the balance of 2017, annual claims for the year are projected to total 149,000. In comparison, 178,422 initial claims for unemployment benefits were filed during 2016. Commissioner Hess attributed the 16.4 percent decrease in initial claims for the first six months of 2017 compared with the same period in 2016 to fewer layoffs in manufacturing, administrative and support services, and construction.



Final payments of unemployment insurance (UI) benefits for the first seven months of 2017 are down 15.2 percent from 2016 and down 27.4 percent from 2015. The exhaustion rate, which reflects the percentage of unemployment compensation recipients who use up all of the weeks of regular unemployment benefits for which they are eligible, was 37.1 percent in July 2017. In the corresponding month one year earlier the exhaustion rate was 40.8 percent and two years earlier it was 41.5 percent.

Virginia's maximum weekly UI benefit of \$378 reflects a weekly benefit replacement rate of 37 percent of the state's average weekly wage in 2017. This replacement rate is one percentage point lower than the 38 percent replacement rate in 2016. The national average maximum weekly unemployment benefit in 2017 is \$443, and the national average weekly benefit replacement rate is 43 percent (which is unchanged from 2016). Virginia's maximum weekly unemployment benefit is lower than those of Maryland (\$430), Washington, D.C. (\$425), and West Virginia (\$424), but higher than those of North Carolina (\$350) and South Carolina (\$326). The Commonwealth's trust fund balance of \$1.165 billion on July 31, 2017, was the third highest, and its average state unemployment tax per employee of \$152 was the lowest, among the six jurisdictions composing the area within the Fourth Circuit Court of Appeals.

Program updates

Commissioner Hess provided the CUC with an update on the VEC's implementation of the Treasury Offset Program (TOP). The TOP, which is administered by the U.S. Department of the Treasury's Bureau of the Fiscal Service, is a centralized offset program used to collect delinquent debts owed to federal agencies and states by intercepting federal tax refunds. Pursuant to § 2.2-4806 of the Code of Virginia, which requires state agencies to use TOP to collect eligible debts, the VEC uses the TOP to collect eligible unemployment benefit overpayment debts and unpaid unemployment tax debts. Debts are eligible to be referred to the TOP if they are the result of fraud or the claimant's failure to report earnings while collecting unemployment benefits, or if they are more than 90 days delinquent and the debtor is not in appeal, repayment, or bankruptcy. Between February and July 2017, the VEC collected over \$8.1 million through the TOP, which sum was collected against 12,802 records that had overpayments due to fraud. All sums recovered through the TOP are required to be deposited in the trust fund.

During the 2014 Session, the General Assembly enacted Senate Bill 18 to establish a military trailing spouse (MTS) program. The MTS program provides that good cause for leaving employment exists if an employee voluntarily leaves a job to accompany the employee's spouse, who is on active duty in the military or naval services of the United States, to a new military-related assignment established pursuant to a permanent change of duty order from which the employee's place of employment is not reasonably accessible. Commissioner Hess reported that from July 1, 2016, through June 30, 2017, \$722,719.80 in benefits were paid to 245 claimants. During the preceding fiscal year, the VEC paid out \$231,050 in unemployment benefits to 76 claimants. The payment of benefits under the MTS program reduced the trust fund solvency level by 0.1 of a percentage point and had no effect on either the 2017 base tax rates or the pool tax rate.

In response to a question by Delegate Ware, Commissioner Hess attributed the increase between fiscal years 2016 and 2017 in the amount of benefits and number of claimants receiving benefits under the MTS program to both an increase in knowledge about the MTS program and an increase in relocations by military personnel.

Conclusion

Delegate Ware noted that the VEC report represented very good news, as fewer Virginians needed to avail themselves of unemployment compensation benefits. This has allowed the unemployment taxes paid by employers to be reduced accordingly. He advised that the CUC would probably hold its next meeting in December to receive a report on updated data from the VEC on the solvency level of the trust fund and related matters.

Commission on Unemployment Compensation

Delegate R. Lee Ware, Chair

Frank Munyan, DLS Senior Attorney

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dls.virginia.gov/commissions/ucc.htm

Virginia World War I and World War II Commemoration Commission

July 13, 2017

The Virginia World War I and World War II Commemoration Commission (the Commission) met in Richmond on July 13, 2017, with Delegate M. Kirkland Cox, chair, presiding.

WWI and WWII Tourism Marketing Grant Recommendations

Steve Galyean, Virginia Tourism Corporation

The third round of grants yielded two applications, both of which were presented with recommendation to approve:

1. Lead partner: William King Museum of Art

Project name: *Remembering World War I in Southwest Virginia*

Award amount: \$5,000; Amount of match from recipient and partners: \$5,000

Summary: The funding will supplement William King Museum of Art's marketing of two companion exhibitions set to open in September of this year: *The Great War - Printmakers of World War I* (on loan from the Virginia Museum of Fine Arts); and *In the Trenches*, a collection of WWI memorabilia, including uniforms, helmets, mess kits, letters, and trench art.

2. Lead partner: Middlesex County Museum

Project name: *Heroes of Middlesex County*

Award amount: \$1,500; Amount of match from recipient and partners: \$1,500

Summary: The project will honor three distinguished veterans of Middlesex County: Beryl Newman, George Taylor, and Chesty Puller, telling their stories through a series of three to five videos, oral histories, posters, and exhibits at Museums of Middlesex, along with an ongoing social media campaign (graphics, memes, imagery, and screenshots from the videos).

The Commission unanimously accepted the recommendations as presented.



To date, 18 grants have been awarded, totaling \$63,956, which has been matched by \$280,727 from 62 partners. The next round opens in mid-July and closes in September.

The grant review committee recommended increasing grants to \$10,000 to increase participation while still ensuring that smaller museums would be competitive. The Commission unanimously agreed to increase the next round of grants to \$10,000.

Staff Report

Cheryl Jackson, Executive Director

Ms. Jackson provided updates on the following programs:

Logo requests

Commission staff recommended approval of all eight applications received since the last meeting, for use of the Commission's logos in promoting local WWI and WWII initiatives.

The Commission unanimously agreed to approve the logo requests.

Profiles of Honor Mobile Tour

Ms. Jackson updated the Commission on the *Profiles of Honor Mobile Tour*, which began its statewide tour in early March. To date, it has participated in 31 events across 25 localities and served as the centerpiece for several commemorative ceremonies for WWII veterans. Altogether, 10,784 visitors have toured the exhibit, and there are nearly 20 more events scheduled through the remainder of the year. Applications to host the *Profiles of Honor Mobile Tour* for 2018 are due by October 1.

More than 2,200 documents have been scanned at Profiles of Honor events, and staff has created a Flickr album to provide quicker access to images (www.flickr.com/viriniawwiandwwii/). Documents will still be transferred to the Library of Virginia for archiving, but the scope of the archival process is being redefined.

WWI and WWII Statewide Teacher Symposium

The WWI and WWII Statewide Teacher Symposium began on June 27 and will continue through the end of July. Altogether, 15 museums and historic organizations are participating at eight locations across the state.

Each program includes a WWI morning overview and WWI breakout sessions, a WWII afternoon overview and WWII breakout sessions, and a tour of a local museum. Sessions have been held in Wytheville, Clifton Forge, Norfolk, and Richmond. Symposiums in the coming weeks will be held in Bedford, Farmville, Winchester, and Fredericksburg.

Events marking the 100th anniversary of the U.S. entry into WWI

On April 6, 2017, the Commission held a commemorative program at the Richmond Carillon, with keynote speaker Dr. Lynn Rainville, to mark the 100th anniversary of the U.S. entry into WWI. In addition, the Commission partnered with the Virginia National Guard (VNG) to present the WWI Speaker Series, held at locations across the state. The VNG, in partnership with the Commission, presented the Military Ball of Virginia on April 29, 2017, to mark the centennial anniversary. The event included a WWI "Doughboy" Color Guard in full dress uniform, the presentation of a commemoration from the Virginia General Assembly, and a keynote address by COL Roger Donlon (USA, Ret.).

Battle of Midway 75th anniversary symposium and Navy events

On June 2, 2017, the MacArthur Memorial, Hampton Roads Naval Museum, and Commission partnered to present “The Tide Turns: Battle of Midway 75th Anniversary Symposium.” Speakers included Elliot Carlson, Anthony Tully, Walter Borneman, and Timothy Orr. The program drew nearly 150 attendees and was covered live on CSPAN. An invitation-only evening reception followed for members of the U.S. military, board members from the Hampton Roads Naval Museum and MacArthur Memorial, Commission members, NATO representatives, local and state representatives, and representatives of the Cities of Norfolk and Virginia Beach.

On Monday, June 4, Commander, Naval Air Force U.S. Atlantic Fleet, hosted a commemoration of the Battle of Midway at the Virginia Beach oceanfront, in partnership with the Hampton Roads Naval Museum, the Virginia Beach Convention and Visitors’ Bureau, and other organizations. The event included a flyover by F/A-18 Super Hornets.

In development

Ms. Jackson outlined programs in development and requested further guidance from the Commission. After discussion, members agreed to the following events:

100th Anniversary of the End of World War I / Armistice Day / Veterans Day (November 11, 2018)

The Commission will hold a major event at the State Capitol to mark the centennial of the end of World War I, in partnership with the Virginia War Memorial (which hosts the Commonwealth’s Veterans Day event annually), the Department of Veterans Services, the Virginia Historical Society, and partner museums across the state. Events will include talks, living history, music, and museum displays.

75th Anniversary of D-Day (June 6, 2019)

The Commission will partner with the National D-Day Memorial in Bedford to sponsor the annual commemoration of the D-Day landing on Omaha Beach. Events will include a commemorative ceremony for veterans.

75th Anniversary of the End of World War II / Signing of Surrender Documents (September 2, 2020)

The Commission will join with the MacArthur Memorial, Hampton Roads Naval Museum, and other partners to host a commemorative ceremony on the USS Wisconsin to mark the 75th anniversary of the signing of the surrender documents that ended World War II for the United States. The ceremony will begin with a reception on Tuesday, September 1, at the MacArthur Memorial, and a symposium on the lasting legacies of the war will follow the commemorative ceremony on Wednesday, September 2.

Virginia World War I and World War II Commemoration Commission

Delegate M. Kirkland Cox, Chair

Cheryl Jackson, Executive Director

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dls.virginia.gov/ww2.html



Ongoing Legislative Commissions and Councils Staffed by DLS

For more information on legislative commissions and councils and their meetings, see the DLS website at <http://dls.virginia.gov/commissions.html>.

Other Legislative Commissions and Committees

The following legislative commissions and committees are not staffed by DLS. They also hold regular meetings during the interim. Visit their websites to obtain full information regarding their meeting dates, agendas, and summaries.

Virginia State Crime Commission

vscc.virginia.gov/meetings.asp

Joint Commission on Health Care

jchc.virginia.gov/meetings.asp

Joint Legislative Audit and Review**Commission (JLARC)**

jlarc.virginia.gov/calendar.asp

Virginia Commission on Youth

vcoy.virginia.gov/meetings.asp

House Appropriations Committee

hac.virginia.gov/

Senate Finance Committee

sfc.virginia.gov/

Complete information on meetings during the 2017 interim is available on the websites of the Division of Legislative Services (<http://dls.virginia.gov/commissions.html>) and the Legislative Information System Meeting Calendar (<https://lis.virginia.gov/cgi-bin/legp604.exe?171+oth+MTG>).

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