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HOUSE BILL NO. 42**AMENDMENT IN THE NATURE OF A SUBSTITUTE**(Proposed by the House Committee on Appropriations
on February 12, 2010)

(Patron Prior to Substitute—Delegate Oder)

A *BILL* to require the Joint Legislative Audit and Review Commission to administer an audit of transportation programs.

Be it enacted by the General Assembly of Virginia:

1. § 1. That the Joint Legislative Audit and Review Commission shall administer an operational and programmatic performance audit focusing on the agencies within the Transportation Secretariat, with primary emphasis on the transportation planning and programming divisions within the Department of Transportation and the Department of Rail and Public Transportation. The purpose of this audit shall be to provide an objective and independent cost savings assessment of the Commonwealth's organizational structure and the efficiency, level of adherence to federal regulations, and effectiveness of the Commonwealth's transportation planning and programming procedures in order to provide information to the Governor and the General Assembly on ways to reduce duplication of effort and implement cost savings measures and programmatic efficiencies in the operation of state transportation programs. In order to achieve its overall purpose, the audit may consist of a series of concurrent audits concentrating on specified categories or groupings. The audit shall be conducted by a private management consulting firm with experience in conducting governmental performance audits. A final report on the findings of the performance audit shall be submitted to the Joint Commission on Transportation Accountability and the Governor no later than December 31, 2010.

§ 2. At a minimum, the report shall identify any deficiencies in the current processes for distributing staffing; in the levels of, and effectiveness of, state and regional collaboration and coordination in the transportation planning and programming process; and in the degree to which statewide and regional processes adhere to and align with federally prescribed transportation planning and programming procedures.

§ 3. The report shall consist of detailed findings and recommendations, including but not limited to the following subject areas:

1. Improvements that may result in both increased efficiency and cost savings in programs and services, including organization structure and staffing levels;

2. Identification and recognition of best practices, to include an assessment of:

a. The adequacy of statutory language that recognizes, describes, and supports the Commonwealth's 14 Metropolitan Planning Organizations and that codifies at the state level the federally required minimum level of state-metropolitan collaboration and coordination procedures;

b. The merits of, and effectiveness of, the Commonwealth's development of and sustained maintenance of two different state-level transportation programs, namely the federally required State Transportation Improvement Program (STIP) and the State Six-Year Improvement Program (SYIP);

c. Statewide transportation planning and programming procedures that may be enhanced, consolidated, reduced, or developed at the regional level, or eliminated;

d. The validity of the Virginia Department of Transportation organizational structure that places the Commonwealth's transportation planning and programming functions at the division level rather than at the department level; and

e. A list of recommendations to the newly formed Virginia Association of Metropolitan Planning Organizations (VAMPO) to provide direction in facilitating improved levels of statewide and regional coordination;

3. Funding for programs and services that may be eliminated or reduced;

4. Analysis of current transportation planning and programming management activities that are less financially advantageous to the Commonwealth than maintenance of effort approaches;

5. Programs and services that may be enhanced, consolidated, reduced, eliminated, or transferred to the private sector;

6. Identification of gaps and overlaps in programs and services and suggestions for improving, blending, or separating of functions to correct any identified gaps or overlaps and reduce duplication of effort;

7. Changes to the definition of activities undertaken by the departments, particularly with respect to the definition of maintenance of transportation infrastructure;

8. Methods to verify the reliability and validity of performance data, self-assessments, and performance-measurement systems used by the departments; and

9. Adoption, amendment, or repeal of statutes, regulations, rules, and policy directives necessary to

60 *ensure that the departments carry out their statutory responsibilities.*

61 *§ 4. The audit shall take into consideration results of any prior studies, audits, or reviews conducted*
62 *by (i) the General Assembly, the Joint Legislative Audit and Review Commission, or the Auditor of*
63 *Public Accounts; (ii) any Governor-appointed commission or other like entity; or (iii) any other*
64 *independent entity that addresses the structure and operation of state government and has identified*
65 *monetary savings, reduced duplication of effort, or efficiencies leading to a reduction in costs.*

66 *§ 5. The costs to conduct the audit shall be funded from existing appropriations to agencies for*
67 *which the Secretary of Transportation is responsible under § 2.2-228 of the Code of Virginia, as*
68 *determined by the Secretary of Transportation, and shall not exceed \$2 million. Any monetary savings*
69 *realized from implementing recommendations of the performance audit shall be used to reimburse the*
70 *applicable transportation account from which the Secretary authorized payment of costs for the audit.*

71 *§ 6. The Joint Legislative Audit and Review Commission shall issue a Request for Proposals, upon*
72 *approval by the Chairman of the Joint Commission on Transportation Accountability or his designee, to*
73 *initiate the procurement process for the management consulting firm within 30 days of the passage of*
74 *this act. Procurement of the consultant shall not be subject to § 2.2-4304 of the Code of Virginia, but*
75 *shall be based on competitive principles.*