



PROGRESS REPORT ON IMPLEMENTATION OF JLARC RECOMMENDATIONS

AS OF
JUNE 2018

Auditor of Public Accounts
Martha S. Mavredes, CPA

www.apa.virginia.gov

(804) 225-3350





Martha S. Mavredes, CPA
Auditor of Public Accounts

Commonwealth of Virginia

Auditor of Public Accounts

P.O. Box 1295
Richmond, Virginia 23218

June 29, 2018

The Honorable Ralph S. Northam
Governor of Virginia

The Honorable Thomas K. Norment, Jr.
Chairman, Joint Legislative Audit
And Review Commission

Please find enclosed a summary of progress made by Virginia's institutions of higher education in implementing the Joint Legislative Audit and Review Commission (JLARC) recommendations required pursuant to §4-9.04 of Chapter 836 of the 2017 Acts of Assembly. We have prepared this summary by reviewing the results of our audits performed at each institution for the fiscal years ended June 30, 2016, and June 30, 2017 and additional follow-up discussion with institutions during the preparation of this report. Should you have any questions, please contact Eric Sandridge, Higher Education Programs Audit Director, or me.

Sincerely,

Martha S. Mavredes
Auditor of Public Accounts

Cc: Mr. Hal Greer
Director, JLARC

Recommendation: Fee Information

§4-9.04a.1. The Board of Visitors at each Virginia public four-year higher education institution, to the extent practicable, shall require their institutions to clearly list the amount of the athletic fee on their website's tuition and fees information page. The page should include a link to the State Council of Higher Education for Virginia's tuition and fee information. The boards should consider requiring institutions to list the major components of all mandatory fees, including the portion attributable to athletics, on a separate page attached to student invoices.

Institution	Athletic fee listed separately	Link to SCHEV tuition information included on page	Major components of all mandatory fees attached to student invoices ¹
CNU	Yes	Yes	No ²
W&M	Yes	Yes	Yes
GMU	Yes	Yes	Yes
JMU	Yes	Yes	Yes
LU	Yes	Yes	Yes
NSU	Yes	Yes	Yes
ODU	Yes	Yes	Yes
RU	Yes	Yes	Yes
UMW	Yes	Yes	Yes
UVA	Yes	Yes	Yes
VCU	Yes	Yes	Yes
VMI	Yes	Yes	Yes
VT	Yes	Yes	Yes
VSU	Yes	Yes	Yes

- 1 Most institutions bill electronically, but provide links to the major components of mandatory fees.
- 2 The CNU Board of Visitors did not require management to attach the major components of all mandatory fees to student invoices.

Recommendation: Additional Revenue Assessment

§4-9.04a.2. The Board of Visitors at each Virginia public four-year higher education institution, to the extent practicable, shall assess the feasibility and impact of raising additional revenue through campus recreation and fitness enterprises to reduce reliance on mandatory student fees. The assessments should address the feasibility and impact of raising additional revenue through charging for specialized programs and services, expanding membership, and/or charging all users of recreation facilities.

Institution	Studied feasibility and impact of raising additional revenue through campus recreation	Assessment considered:		
		Charging for specialized programs and services	Expanding membership	Charging all users of recreation facilities
CNU	Yes	Yes	Yes	Yes
W&M	Yes	Yes	Yes	Yes
GMU	Yes	Yes	Yes	Yes
JMU	Yes	Yes	Yes	Yes
LU	No ¹	N/A	N/A	N/A
NSU	Yes	Yes	No ⁴	Yes
ODU	No ²	Yes	Yes	Yes
RU	Yes	Yes	Yes	Yes
UMW	Yes	Yes	Yes	Yes
UVA	Yes	Yes	Yes	Yes
VCU	Yes	Yes	Yes	Yes
VMI	Yes	Yes	Yes	Yes
VT	Yes	Yes	Yes	Yes
VSU	No ³	N/A	N/A	N/A

- 1 At this time, LU only permits faculty, staff, and students to use its recreation and fitness center to avoid competing with local businesses in Farmville. LU has not performed a formal analysis of charging for raising additional revenue through campus recreation.
- 2 While a formal assessment was not performed, ODU is generating additional revenue by charging fees to outside users and for additional programming as recommended.
- 3 VSU stated that campus recreation and fitness enterprises are for its students and generally not open to the public for additional revenue. VSU noted that it examines its mandatory student fees during the annual budget development and Board of Visitors approval process.
- 4 NSU has chosen not to expand membership for the public at this time due to the limited number of facilities of this type available on campus.

Recommendation: Organizational Structure

§4-9.04a.3. The Board of Visitors at each Virginia public four-year higher education institution, to the extent practicable, shall direct staff to perform a comprehensive review of the institution's organizational structure, including an analysis of spans of control and a review of staff activities and workload, and identify opportunities to streamline the organizational structure. Boards should further direct staff to implement the recommendations of the review to streamline their organizational structures where possible.

Institution	Performed comprehensive review of organizational structure including:		
	Analysis of spans of control	Review of staff activities and workload	Identify opportunities to streamline organizational structure
CNU	Yes	Yes	Yes
W&M	Yes	Yes	Yes
GMU	Yes	Yes	Yes
JMU	Yes	Yes	Yes
LU	Yes	Yes	Yes
NSU	Yes	Yes	Yes
ODU	Yes	Yes	Yes
RU	Yes	Yes	Yes
UMW	Yes	Yes	Yes
UVA	Yes	Yes	Yes
VCU	Yes	Yes	Yes
VMI	Yes	Yes	Yes
VT	Yes	Yes	Yes
VSU	Yes	In Progress ¹	In Progress ¹

- 1 VSU has reviewed its organizational structure and has chartered a project to address issues. The scope of the project is to examine not only supervisor roles based on the JLARC study, but also examine VSU's business processes, services structure, technology, and organizational culture to ensure optimal operations. The first business area under restructuring is Human Resources.

Recommendation: Periodic Reports on Spans of Control and Direct Reports

§4-9.04a.4. The Board of Visitors at each Virginia public four-year higher education institution, to the extent practicable, shall require periodic reports on average and median spans of control and the number of supervisors with six or fewer direct reports.

Institution	Require periodic reports on average and median spans of control	Require periodic reports on the number of supervisors with six or fewer direct reports
CNU	In Progress ²	In Progress ²
W&M	Yes	Yes
GMU	Yes	Yes
JMU	Yes	Yes
LU	No ¹	No ¹
NSU	Yes	Yes
ODU	No ¹	No ¹
RU	No ¹	No ¹
UMW	Yes	Yes
UVA	No ¹	No ¹
VCU	Yes	Yes
VMI	Yes	Yes
VT	Yes	Yes
VSU	In Progress ³	In Progress ³

- 1 The Board of Visitors does not have a policy requiring periodic reports on average and medians spans of control and the number of supervisors with six or fewer direct reports.
- 2 Although the Board of Visitors has not specifically required reporting on average and median spans of control and the number of supervisors with six or fewer direct reports, the Board directed CNU management to report on a periodic basis CNU's progress towards achieving the JLARC recommendations. Per CNU management, new positions and changes to departments and their spans of control would be reported to the Board as part of CNU's annual budget presentation.
- 3 VSU is working to standardize data elements in its ERP system, including establishing reporting relationships for employees. Once complete, VSU will develop policy guidelines for organizational spans of control.

Recommendation: Human Resource Policies

§4-9.04a.5. The Board of Visitors at each Virginia public four-year higher education institution, to the extent practicable, shall direct staff to revise human resource policies to eliminate unnecessary supervisory positions by developing standards that establish and promote broader spans of control. The new policies and standards should (i) set an overall target span of control for the institution, (ii) set a minimum number of direct reports per supervisor, with guidelines for exceptions, (iii) define the circumstances that necessitate the use of a supervisory position, (iv) prohibit the establishment of supervisory positions for the purpose of recruiting or retaining employees, and (v) establish a periodic review of departments where spans of control are unusually narrow.

Institution	Revised human resource policies to eliminate unnecessary supervisory positions by promoting broader spans of control	Revised policies include:				
		Overall target span of control	Minimum number of direct reports per supervisor with guidelines for exceptions	Define circumstances requiring a supervisory position	Prohibit establishing new supervisory positions for recruiting or retaining employees	Periodic review of departments with narrow spans of control
CNU	Yes	Yes	Yes	Yes	No ¹	No ¹
W&M	No ²	N/A	N/A	N/A	N/A	N/A
GMU	Yes	Yes	Yes	Yes	Yes	Yes
JMU	Yes	Yes	Yes	Yes	Yes	Yes
LU	In Progress ³	N/A	N/A	N/A	N/A	N/A
NSU	Yes	Yes	Yes	Yes	Yes	Yes
ODU	No ⁴	N/A	N/A	N/A	N/A	N/A
RU	In Progress ⁵	N/A	N/A	N/A	N/A	N/A
UMW	Yes	Yes	Yes	Yes	Yes	Yes
UVA	No ⁶	N/A	N/A	N/A	N/A	N/A
VCU	Yes	Yes	Yes	Yes	Yes	Yes
VMI	Yes	Yes	Yes	Yes	Yes	Yes
VT	In Progress ⁷	N/A	N/A	N/A	N/A	N/A
VSU	In Progress ⁸	N/A	N/A	N/A	N/A	N/A

- 1 CNU developed span of control standards addressing target spans of control, minimum number of direct reports per supervisor, and defining circumstances requiring a supervisory position. The standards do not currently include a prohibition on establishing new supervisory positions for recruiting or retaining employees; however, per CNU management, CNU does not allow this to occur and will add this language to its policies. The standards do not currently provide specific language requiring periodic review of departments with unusually narrow spans of control.
- 2 Per W&M, the Human Resources department continues to review the appropriateness of supervisor positions to advance W&M’s efficiency and effectiveness; however, the Board of Visitors has not requested a formal policy change incorporating the JLARC recommendations.
- 3 LU has not implemented a formal policy; however, Human Resources is planning to update the classified employees’ salary administration plan with language regarding spans of control.
- 4 ODU did not revise its human resource policies; however, ODU stated that it continues to adhere to the Department of Human Resource Management’s guidance in the use of the manager role for classified positions (e.g. manager positions must have two subordinate supervisory positions) and complies with its Board of Visitor’s policy on Administrative and Professional faculty as it relates to the organization reporting relationship to the President (e.g. must not be more than three layers below). Human Resources worked with Vice Presidents in the various areas to determine the ideal span of control for their respective operational units using data derived from its analysis of spans of control and developed span-related criteria for Director, Manager, and Supervisor positions to the extent practicable.

- 5 RU plans to update human resource policies to develop standards related to spans of control based on the recommendations provided in the spans and layer assessment.
- 6 Per UVA management, best practices on spans of control are part of UVA's managerial training curriculum and executive management discussions. UVA plans to develop a regular review of organizational structure in the period after the completion of the Ufirst (Human Resources transformation) project and will consider appropriate institutional policies at that time.
- 7 At the present time, VT does not have policies requiring the restructuring of narrow spans of control. However, VT has developed management action plans to implement the JLARC recommendations, which include the following processes. First, as part of the Human Resources (HR) Transformation Project, VT will communicate the adopted spans and layers metric as outlined in consultant's report, develop monitoring tools for senior management areas to utilize, and provide periodic briefings to executive management. Additionally, HR practices will be reviewed over the next year and revised to reflect the spans and layers standard adopted.
- 8 VSU is working to standardize data elements in its ERP system, including establishing reporting relationships for employees. Once complete, VSU will develop policy guidelines for organizational spans of control.

Recommendation: Standardization of Purchases

§4-9.04a.6. The Board of Visitors at each Virginia public four-year higher education institution, to the extent practicable, shall direct institution staff to set and enforce policies to maximize standardization of purchases of commonly procured goods, including use of institution-wide contracts.

Institution	Set and enforce policies to maximize standardization of purchases of commonly procured goods, including use of institution-wide contracts
CNU	Yes
W&M	Yes
GMU	Yes
JMU	Yes
LU	Yes
NSU	Yes
ODU	Yes
RU	Yes
UMW	Yes
UVA	Yes
VCU	Yes
VMI	Yes
VT	Yes
VSU	Yes

Recommendation: Report on Institutional Purchases

§4-9.04a.7. The Board of Visitors at each Virginia public four-year higher education institution, to the extent practicable, shall consider directing institution staff to provide an annual report on all institutional purchases, including small purchases, that are exceptions to the institutional policies for standardizing purchases.

Institution	Require an annual report on all institutional purchases, including small purchases, that are exceptions to institutional policies on standardizing purchases
CNU	Yes
W&M	No ¹
GMU	No ¹
JMU	Yes
LU	No ¹
NSU	Yes
ODU	Yes
RU	No ¹
UMW	Yes
UVA	No ¹
VCU	Yes
VMI	Yes
VT	Yes
VSU	No ¹

- 1 The Board of Visitors has not required an annual report on all institutional purchases that are exceptions to institutional policies for standardizing purchases. However, most institutions have implemented some type of monitoring mechanism to capture exceptions or opportunities for additional standardization.

Recommendation: Teaching Load Assessments

§4-9.04a.8. The Board of Visitors at each Virginia public four-year higher education institution, to the extent practicable, shall participate in national faculty teaching load assessments by discipline and faculty type.

Institution	Participated in national faculty teaching load assessments by discipline and faculty type
CNU	Yes
W&M	No ¹
GMU	Yes
JMU	Yes
LU	Yes
NSU	In Progress ²
ODU	Yes
RU	Yes
UMW	Yes
UVA	Yes
VCU	In Progress ³
VMI	Yes
VT	Yes
VSU	In Progress ⁴

- 1 The W&M Board of Visitors has not required participation in a formal assessment of faculty teaching load. W&M reported that its Provost office routinely reviews teaching loads by school/discipline.
- 2 NSU plans to address this recommendation with the Board of Visitors during the 2018-2019 Academic Year.
- 3 VCU plans to participate in the 2019-2020 cohort for the Delaware Cost Study.
- 4 VSU plans to address this recommendation with the Board of Visitors during the 2018-2019 Academic Year.

SUMMARY OF ABBREVIATIONS

CNU	Christopher Newport University
W&M	The College of William and Mary in Virginia
GMU	George Mason University
JMU	James Madison University
LU	Longwood University
NSU	Norfolk State University
ODU	Old Dominion University
RU	Radford University
UMW	University of Mary Washington
UVA	University of Virginia
VCU	Virginia Commonwealth University
VMI	Virginia Military Institute
VT	Virginia Polytechnic Institute and State University
VSU	Virginia State University