

# Independent

The 2004-06 budget, as adopted, for the Independent Agencies includes a total biennial appropriation of \$454.7 million, one percent more than these agencies' existing adjusted operating appropriations. Included within this total appropriation is \$294,247 each year from the general fund, to a reduction of \$172,060 each year. Offsetting this general fund reduction is a nongeneral fund increase of \$5.0 million, or 1.12 percent.

Among the nongeneral fund spending included within the appropriations for these agencies is \$2.6 million to support increases in the workload of the Virginia Retirement System, \$1.5 million to support the Virginia Retirement System's investment department's pay practices, publications, organizational memberships, and attorneys' fees, \$569,760 to reflect the continuation costs associated with the 2.25 percent salary increase granted in November 2003, \$800,000 to reflect federal grants received by the Workers' Compensation Commission, and \$466,348 to reflect increased federal funding for the Virginia Office of Protection and Advocacy's civil rights activities.

- **State Corporation Commission**
  - *Funding for National Conference of Insurance Legislators.* Provides \$10,000 NGF each year for the payment of annual membership dues to this organization.
  - *Transfer Uninsured Motorist Fee to General Fund.* Directs anticipated increases in the revenues generated by the uninsured motorist fee to the general fund. A nongeneral fund reduction of \$700,000 the first year and \$1.4 million the second year.
- **Virginia Retirement System**
  - *Increase Staffing to Reflect Workload Increases.* Provides for 18.0 NGF positions the first year and \$869,864 NGF and four additional positions the second year to hire additional staff. The additional personnel are needed to satisfy requests for retirement counseling and pre-retirement education, the completion of paperwork, and to respond to inquiries from retirees.
  - *Fund Investment Department Workload Increases.* Provides an additional \$987,316 NGF and six NGF positions the first year and \$763,975 NGF the second year to hire staff to provide resources to improve the agency's in-house risk management and asset/liability

modeling capabilities in order to better monitor investment strategies.

- *Provide funding for Information Technology Upgrades.* Provides \$422,000 NGF the second year to expand business continuity capabilities, enhance software maintenance and management, and improve technology security tools.
  - *Continue Investment Department Services at Current Levels.* Provides \$748,551 NGF each year to continue investment department pay practices at their current levels and to cover an increase in the costs of the department's publications, organizational memberships, and attorneys' fees.
  - *Reflect Continuation Costs for FY 2003 Salary Increase.* Provides \$284,880 NGF each year to increase the agency's base budget for the annual cost of the November 25, 2003 salary adjustment.
  - *Study of the Virginia Retirement System.* Provides \$200,000 NGF the first year to support the study of the retirement system authorized in HJR 34, 2004 Session of the General Assembly. These funds will be used to provide funding for the actuarial and legal support services necessary to complete this examination.
  - *Eliminate Administrative Costs for the Volunteer Service Award Program.* Reduces the general fund support provided to the Virginia Retirement System for the administration of this program by \$172,000 each year.
- **Virginia Workers' Compensation Commission**
    - *Provide Special Counsel for the Commission.* Provides \$270,000 NGF each year to procure the services of private sector attorneys to serve as counsel for the commission, the Uninsured Employers' Fund, and the Criminal Injuries Compensation Fund. The private sector attorneys selected by the agency will represent the commission in about 250 cases per year concerning topics such as claim eligibility, claim settlement, collection of subrogation and restitution, case adjudication, and administrative procedure appeals. Previously, these services were provided to the Commission by the Office of the Attorney General.

- *Adjust Positions to Address Workload.* Provides an additional five nongeneral fund positions in the first year in order to respond to growth in the commission’s caseload.
- *Adjust Federal Funding.* Provides \$400,000 NGF each year to reflect an increase in the awards made to the Criminal Injuries Compensation Fund by the federal government.
- **Virginia Office of Protection and Advocacy**
  - *Delay Ombudsman Program Implementation.* Defers implementation of an Ombudsman program for persons with disabilities until July 1, 2006. The agency projects the cost of establishing such a program to be about \$1.0 million for the biennium.
  - *Increase Positions to Meet Federal Civil Rights Duties.* Provides two nongeneral fund positions the first year to ensure the office can meet federal civil rights duties on behalf of persons with disabilities.
  - *Increase Funding and Positions to Meet Federal Civil Rights Duties.* Provides \$233,174 NGF and six positions the first year and \$233,174 NGF the second year to reflect additional federal funds for the advancement of civil rights for persons with disabilities.