

Independent

Proposed Adjustments as Introduced				
(\$ in millions)				
	FY 2015 Proposed		FY 2016 Proposed	
	<u>GF</u>	<u>NGF</u>	<u>GF</u>	<u>NGF</u>
2014-16 Base Budget, Ch. 806	\$1.2	\$666.4	\$1.2	\$666.4
Proposed increases	0.0	61.2	0.0	165.2
Proposed decreases	<u>(0.0)</u>	<u>(1.2)</u>	<u>(0.0)</u>	<u>(1.1)</u>
\$ Net Change	0.0	60.0	0.0	164.1
HB/SB 30, as Introduced	\$1.2	\$726.4	\$1.2	\$830.5
% Change	0.0%	9.0%	0.0%	24.6%
FTEs	13.00	1,678.0	13.00	1,678.0
# Change	0.00	3.88	0.00	3.88

- **Virginia Retirement System**

- *Additional Investment Positions to Continue Increasing Amount of Investments Managed Internally.* Includes a series of amendments which provides \$3.15 million NGF each year to fund 9 new positions in the Investment Department. These positions will facilitate the internal management of cash investments (3 FTE), real asset investments (2.0 FTE), private equity investments (2.0 FTE), risk premia strategies (1.0 FTE), and frontier markets (1.0 FTE). The administrative cost of these positions is significantly lower than fees charged by external investment companies.
- *Funding and Staffing to Support Implementation of the New Hybrid Plan.* Proposes \$1.4 million NGF in FY 2015 and FY 2016, and 11 full time positions to support the implementation and administration of the new hybrid benefit plan.
- *Fund Licensing Fees for Investment Risk Management System.* Includes \$375,000 NGF in FY 2015 and FY 2016 to reflect the ongoing licensing costs associated with the investment risk management system purchased by VRS in 2013.
- *Funding for Additional Office Space and Parking as a Result of Increases in Investment Staff.* Provides \$435,000 NGF each year to reflect increased office

space and parking costs as a result of increased staffing in the investment department that have been approved in recent years.

- *Funding for 1 Additional Auditor Position.* Proposes \$124,958 NGF in FY 2015 and FY 2016 and 1.0 FTE to hire one additional auditor.
- *Funding for Increase Information Technology Security.* Includes \$154,000 NGF in FY 2015 and \$30,000 NGF in FY 2016 to purchase and maintain a web application firewall to enhance the VRS' information technology security efforts.

- **State Corporation Commission**

- *Funding for Commission's New Information System.* Proposes \$3.0 million NGF each year to fund the development of a new information system to replace the current mainframe based system that was developed 24 years ago. The current system is on a platform that is no longer supported.
- *Reflect Increased Federal Funding for the Regulation of Utility Companies.* Provides \$2.0 million NGF in FY 2015 and FY 2016 to reflect an increase in a federal grant supporting utility safety.

- **Virginia College Savings Plan**

- *Adjust Appropriation for Projected Payments.* Includes an increase in the NGF base appropriation of \$49.1 million in FY 2015 and \$153.0 million in FY 2016 for increases within the Virginia prepaid and 529 investment programs. The increases reflect growth in participation in the programs, increases in tuition costs, and recent increases in investment returns.
- *Funding for Increased Workload for Services Provided to Other State 529s.* Proposes \$712,269 NGF in both FY 2015 and FY 2016, along with 7.0 FTE, to reflect increased administrative expenditures related to services provided to, and paid for by, other states' 529 programs.
- *Reduce Appropriation for Operating Expenses and Scholarship Programs.* Reflects a decrease of \$814,236 NGF the first and \$1.0 million NGF the second year to reflect a decrease in scholarship funding.

- **Virginia Workers' Compensation Commission**

- *Additional Staffing.* Proposes \$627,751 NGF each year to fund 9 new positions at the commission. The positions are needed to accommodate an increased workload for the Commission.

- *Adjust Funding for the Uninsured Employer’s Fund.* Provides \$200,000 NGF each year for the Uninsured Employer’s Fund to reflect increases in claims and payment obligations.
- *Adjust Funding for Criminal Injuries Compensation to Reflect Lower Caseload and to Fund Public Relations Efforts.* Proposes a decrease of \$259,623 NGF in FY 2015 and an increase of \$120,377 NGF in FY 2016 for the Criminal Injuries Compensation Fund. The decrease in FY 2015 is the net of two actions, a decrease in expenditures of \$1.1 million to reflect current expenditure patterns and an increase of \$850,000 for a public relations campaign to ensure adequate awareness of the fund. The increase in FY 2016 assumes \$300,000 to complete the public relations campaign and there is an expectation that the increased awareness of the fund will result in an increase in claims above current levels.
- *General Administrative Costs.* Proposes \$323,300 NGF each year to reflect general increases in non-personal costs incurred by the Commission.