

Independent

Governor's Proposed Amendments				
(\$ in millions)				
	FY 2019 Proposed		FY 2020 Proposed	
	<u>GF</u>	<u>NGF</u>	<u>GF</u>	<u>NGF</u>
2018-20 Current Budget (Ch. 2, 2018 Special Session I)	\$0.3	\$987.4	\$0.2	\$973.5
Proposed Increases	0.0	7.4	0.0	13.7
Proposed Decreases	<u>(0.0)</u>	<u>(0.0)</u>	<u>(0.0)</u>	<u>(0.0)</u>
\$ Net Change	0.0	7.4	(0.0)	13.7
HB 1700/SB 1100, as Introduced	\$0.3	\$994.9	\$0.2	\$987.2
% Change	0.0%	0.8%	0.0%	1.4%
FTEs	0.00	1,759.00	0.00	1,764.00
# Change	0.00	0.00	0.00	1.00

- **State Corporation Commission**

- *Provide Central Accounts Distribution.* Recommends \$3.4 million NGF the second year to support the distribution of centrally-funded actions, including salary and fringe benefits adjustments, health insurance, other post-employment benefits, and information technology costs, authorized in Chapter 2 of the 2018 Acts of Assembly, Special Session 1 (HB 5002).
- *Provide Oversight of Education Loan Servicers.* Proposes \$65,100 NGF and 1.00 FTE the second year to assist in providing oversight of qualified education loan servicers. This would support a requirement that anyone acting as a qualified education loan servicer must obtain a license and register with the Nationwide Multistate Licensing System and Registry.

- **Virginia Lottery**
 - *Provide Central Accounts Distribution.* Proposes \$1.4 million NGF the second year to support the distribution of centrally-funded actions, including salary and fringe benefits adjustments, health insurance, other post-employment benefits, and information technology costs, authorized in Chapter 2, 2018 Special Session 1, Acts of Assembly.
 - *Provide One-Time Funding for Equipment Purchase.* Recommends \$3.6 million NGF the first year for a one-time vending equipment purchase that would allow the agency to expand lottery offerings statewide in certain corporate chain accounts.

- **Virginia College Savings Plan**
 - *Enhance Cyber Security and Upgrade Software.* Proposes increasing the NGF appropriation by \$974,000 the first year and \$604,500 the second year to enhance the agency's cyber security and support software upgrades. The appropriation would allow the agency to purchase cyber security/data breach insurance and hire a systems engineer to oversee the implementation of cyber security initiatives. The amendment would also support finance software upgrades, Banner Forms conversion, and mobile application development.
 - *Add Investment Director and Financial Reporting Accountant Positions.* Recommends \$427,500 NGF the first year and \$402,500 NGF the second year to fund and fill the position of Investment Director, required pursuant to Item 485 E., Chapter 2. Funding would also support adding a Lead Financial Reporting Accountant position to oversee daily financial operations.
 - *Provide Funding for Headquarters Operating Costs and Improvements.* Proposes increasing nongeneral fund appropriation by \$130,018 the first year and \$50,235 the second year to reflect a new lease agreement and one-time construction costs in the first year to ensure federal Americans with Disabilities Act requirements.

- **Virginia Retirement System**
 - *Provide Central Accounts Distribution.* Recommends \$2.0 million NGF the second year to support the distribution of centrally-funded actions, including salary and fringe benefits adjustments, health insurance, other post-employment benefits, and information technology costs, authorized in Chapter 2.
 - *Add Ex-Officio Members to Board of Trustees.* Proposes to change the existing structure of the Board of Trustees to be comprised of 12 members, of which, three members would be ex-officio and non-voting members. These ex-officio members

would include the Secretary of Finance and the staff directors of the Senate Finance and the House Appropriations Committees or their designees.

- ***Provide Funding for Office Space Expenses.*** Proposes \$142,138 NGF the first year and \$134,254 NGF the second year for build-out costs and renovations to the office spaces occupied by the operational and investment divisions. The first year amount reflects one-time funds for construction services to expand into additional leased space. The second year amount reflects the rent increase of the leased space.
- ***Provide Investment Staff Performance-Based Bonuses.*** Recommends \$1.4 million NGF the second year to provide performance-based bonuses to investment staff based on the prior fiscal year's performance results, consistent with existing policy.
- ***Support Program Changes to Retiree Health Insurance Program.*** Proposes \$315,000 NGF the second year for program changes and updates to publications and training materials associated with a companion amendment within Central Appropriations that would increase the health insurance credit benefit for State Police Officers' Retirement System (SPORS) and Virginia Law Officers' Retirement System (VaLORS) members, as well as sheriffs and deputies.
- ***Provide Funding for Market-Driven Investment Data Access.*** Recommends \$919,005 NGF the second year for continued access to market-driven investment data access to support investment decisions.
- ***Complete Automation and Final Phase of the Modernization Project.*** Proposes \$1.5 million NGF the first year and \$798,550 NGF the second year to complete the automation and final phases of the Modernization project. The Modernization Project is a multi-year project that has sought to replace legacy computer systems and paper forms for retirement and financial planning services for members, retirees, and employers, with a web-based system. The automation of retirement disbursements is expected to reduce the manual review of processing retirement benefits for state and local retirees and their beneficiaries. The final project would allow state and local members to view and manage their retirement benefits online.
- ***Provide Post-Modernization Production Services.*** Recommends \$668,223 NGF the first year and \$755,373 NGF the second year to support the post-production costs to automate retirement systems and provide online financial and retirement assistance.

- **Virginia Workers' Compensation Commission**

- *Provide Central Accounts Distribution.* Proposes \$1.5 million NGF the second year to support the distribution of centrally-funded actions, including salary and fringe benefits adjustments, health insurance, other post-employment benefits, and information technology *costs*, authorized in Chapter 2.