

Independent

The Governor's proposed amendments for the Independent Agencies result in a net increase of \$40.8 million NGF appropriation compared to the adjusted base budget.

Much of the increase, \$19.8 million, is in the budget for the Virginia Retirement System. The budget provides the Virginia Retirement System (VRS) \$12.9 million for the VRS modernization project and \$6.5 million to move the administration of certain investment assets from external fund managers to in-house staff. The budget also increases the appropriation for the State Corporation Commission by \$18.9 million to reflect projected increases in deposits into the Uninsured Motorist Fund.

- **Virginia Retirement System**

- *Establish an Additional In-House Investment Program.* Includes \$3.3 million NGF each year and ten positions for the VRS to move the administration of certain investment assets from external fund managers to VRS in-house staff. This proposal is expected to result in significant cost savings for the fund and reduced risk for the investment fund.
- *VRS Modernization Project.* Includes \$4.7 million NGF and one position in the first year and \$8.2 million in the second year, with a second additional staff person, to support the continued reengineering of business processes and the upgrading of the computer systems. This effort is designed to improve customer service.
- *Additional Staff Person for Support to Local School Divisions.* Provides \$84,940 NGF in each year and one staff person for an additional employer representative to help prepare for an expected increase in the number of retirement eligible employers in local school divisions.
- *Implement Self-Administered Long Term Care Program.* Includes \$76,356 NGF in each year and one staff person for the state's long-term care program. VRS is in the process of converting this party from a third-party administrator to a self-managed fund.

- **State Corporation Commission**

- *Increase Appropriation for Uninsured Motorist Fund.* Increases the NGF appropriation by \$9.4 million in FY 2009 and \$9.5 million in FY 2010 to reflect current projections for the Uninsured Motorist Fund.

- **Virginia College Savings Plan**

- *Adjust Appropriation for Projected Payments out of the Plan.* Includes a base adjustment for an additional \$30.0 million NGF in FY 2009 and \$45.0 million NGF in FY 2010 for estimated payments from the plan to all institutions of higher learning and other third parties.
- *Adjust Appropriation for Salary Regrades and Other Salary Adjustments.* Provides \$237,977 NGF in both years to reflect additional administrative costs from salary regrades and other salary adjustments.
- *Adjust Appropriation for Increased Expenses at the Virginia Prepaid Education Program.* Provides \$83,531 NGF in FY 2009 and \$169,569 NGF in FY 2010 to reflect increased administrative costs for the Virginia Prepaid Education Program related to federally required disclosures.
- *Adjust Appropriation for Increased Expenses at the Virginia Education Savings Trust Program.* Provides \$96,154 NGF in FY 2009 and \$195,193 NGF in FY 2010 to reflect increased administrative costs for the Virginia Education Savings Trust Program related to federally required disclosures.
- *Adjust Appropriation for Increased Office Space Lease Costs.* Provides \$474,432 NGF in FY 2009 and \$582,976 NGF in FY 2010 to reflect increased lease cost due to relocation.
- **Virginia Workers' Compensation Commission**
 - *Increase Funding for Nonpersonal Services.* Base adjustment provides an additional \$678,400 NGF in the first year and \$679,400 NGF in the second year for increases in nonpersonal services as a result of inflationary and workload increases at the Commission.
 - *Fund Project Management Office.* Base adjustment provides \$4.7 million NGF in FY 2009 and \$1.2 million NGF in FY 2010 to continue funding the project management office at the Commission whose charge is implementing the Commission's technology and business processes strategic plans.
- **Virginia Office of Protection and Advocacy**
 - *Reflect Funding for Mental Health Grant.* Base adjustment provides \$56,000 NGF each year to reflect the projected funding from a federal mental health grant.