

Independent

Proposed Adjustments as Introduced				
(\$ in millions)				
	FY 2021 Proposed		FY 2022 Proposed	
	<u>GF</u>	<u>NGF</u>	<u>GF</u>	<u>NGF</u>
2018-20 Current Budget, Ch. 854	\$0.2	\$986.9	\$0.2	\$986.9
Proposed Increases	6.6	38.8	6.6	66.0
Proposed Decreases	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
\$ Net Change	6.6	38.8	6.6	66.0
HB/SB 30, as Introduced	\$6.8	\$1,025.6	\$6.8	\$1,052.9
% Change	3,638.6%	3.9%	3,638.6%	6.7%
FTEs	0.00	1,809.00	0.00	1,824.0
# Change	0.00	45.00	0.00	60.00

- **State Corporation Commission**

- *Establish Virginia Health Benefit Exchange.* Proposes \$13.5 million NGF and 20 positions the first year and \$41.5 million NGF and 10.0 positions the second year (total of 30 positions) to establish the Virginia Health Benefit Exchange (Exchange), which would be a new agency within the State Corporation Commission (SCC) to manage, in collaboration with the Secretary of Health and Human Resources, a health insurance marketplace for the purchase and sale of qualified health and dental plans in the individual and small group markets. Costs associated with the Exchange would be recovered by user fees charged to insurance carriers participating in the Exchange. Language also authorizes the Secretary of Finance to authorize a treasury loan for the SCC to fund start-up costs associated with the implementation of the Exchange, as well as repayment of the treasury loan through a portion of the user fees collected from insurance carriers participating in the Exchange. A companion action in Central Appropriations establishes a reinsurance program to stabilize rates and premiums for the health insurance policies sold on the Exchange.
- *Provide Oversight of Education Loan Servicers.* Includes \$123,455 NGF the first year and \$211,390 NGF 2 positions the second year to issue licenses and register

education loan servicers, pursuant to legislation to be offered during the 2020 General Assembly Session requiring anyone acting as a qualified education loan servicer to obtain a license through the State Corporation Commission and register with the Nationwide Multistate Licensing System and Registry.

- **Virginia Lottery**
 - *Purchase Lottery Retail and Operating Equipment.* Recommends \$3.5 million NGF the first year to expand the Lottery statewide through the purchase of lottery vending machines for retail locations and the installation of billboards to advertise Lottery games and prizes.

- **Virginia College Savings Plan**
 - *Provide Customer Service and Fraud Prevention Services.* Proposes \$376,293 NGF the first year and \$751,854 NGF the second year and 10 positions to provide staff support for customers with account transactions, and staff to protect the agency from data breaches.
 - *Provide Funding for Data Security Initiatives and Operating Expenses.* Includes \$1.7 million NGF the first year and \$2.5 million NGF the second year for data security initiatives including enhancing the customer identification platform and process to verify personal data and detect fraudulent information. A portion of the proposed funding would go toward general operating expenses.

- **Virginia Retirement System**
 - *Expand In-house and Private Investment Activities.* Recommends \$1.4 million NGF and 2 positions the first year and \$1.8 million NGF and 1 position the second year (total of 3 positions) to add additional investment staff and support the acquisition of advanced analytical tools, which is intended to improve the agency's analytical and trading capabilities.
 - *Provide In-Person Customer Service.* Includes \$307,569 NGF and 3 positions the first year and \$403,484 NGF and 1 position the second year (total of 4 positions) to provide one-on-one member counseling sessions and presentations throughout various regions of the state where the member base is dense or in areas where there is limited access to online resources.
 - *Manage Investment Portfolio.* Proposes \$501,526 NGF and 1 position the second year to provide additional resources for investment decision making and investment portfolio profile enhancement.

- ***Strengthen Regulatory Compliance Activities.*** Includes \$515,368 NGF the first year and \$820,368 NGF the second year and 3 positions to address increased workload related to the growth of investment activity and external regulations, as well as fiscal services related to legal and regulatory requirements.
- ***Augment Fraud Detection and Prevention Services.*** Recommends \$468,504 NGF the first year and \$470,979 NGF the second year and 1 position to implement solutions to authenticate member accounts and report suspicious behavior, which would strengthen the agency’s ability to detect fraudulent activities conducted online and through the call center.
- ***Implement Information Technology Security Enhancements.*** Includes \$2.3 million NGF the first year and \$1.7 million NGF the second year and 3 positions to implement information technology security enhancements to remain compliant with state and federal information technology security guidelines.
- ***Migrate Information Technology Services and Data to the Cloud.*** Proposes \$4.0 million NGF the first year and \$4.2 million NGF the second year and 3.0 positions to implement a cloud migration initiative, consistent with Executive Order 19 (2018). It is expected that the migration to a cloud will increase the speed of the agency’s business solutions, address member needs and data consumption, and provide access to data in the event of a power outage or disaster.
- ***Replace Financial Management System.*** Includes \$731,500 NGF the first year and \$100,000 NGF the second year for the replacement of the agency’s financial management system in the first year, and to provide ongoing system and maintenance support in the second year. The financial management system serves as the source for the agency’s financial transactions, including investment activities, the processing of monthly retiree payroll, operating budget expenditures, and financial reporting required for the pension and other post-employment benefit plans.
- ***Refresh Existing Hardware.*** Proposes \$175,000 NGF the first year and \$725,400 NGF the second year to refresh existing hardware, including the agency’s voice server infrastructure, voice routers, and voice and data transmission equipment.

- **Workers’ Compensation Commission**

- ***Transfer Physical Evidence Recovery Kit (PERK) Program from Judicial Agencies.*** Includes \$1.9 million GF each year to reflect the net-zero transfer of the appropriation for the Physical Evidence Recovery Kit (PERK) program from judicial agencies to the Workers’ Compensation Commission (WCC). Prior to this transfer, funds for the PERK program were appropriated in judicial agencies as a share of the general fund for Other Court Costs and Allowances (Criminal Fund)

and were subsequently transferred to the Criminal Injuries Compensation Fund, administered by the WCC, for administration of the PERK program.

- *Fund Medical Expenses for Victims of Sexual Assault.* Proposes \$9.4 million GF over the biennium to provide funding to reimburse health care providers for forensic and medical exams through the Sexual Assault Forensic Exam (SAFE) Payment program. The SAFE Payment program is part of the Virginia Victims Fund (officially the Criminal Injuries Compensation Fund) administered by the Workers' Compensation Commission. The funding reflects increased fee costs for acute, non-acute, and follow-up exams.