

Independent

The Governor's recommended amendments would decrease the NGF appropriation for Independent Agencies by a net of \$2.5 million when compared to Chapters 3 and 10 of the 2006 Special Session I. This reduction is the result of increases that total \$9.3 million NGF, which are partially offset by a reduction of \$11.9 million NGF.

The proposed nongeneral fund increases are largely in the Virginia Retirement System where amendments provide \$4.7 million NGF for the VRS modernization project, \$1.3 million NGF for merit based salary increases, \$1.5 million NGF to continue the investment pay plan, \$0.2 million NGF for rent on additional office space, and \$0.1 million for upgrades to the VRS computer room. Language is recommended that would authorize the VRS to increase the multiplier for the State Police Officer's Retirement System from 1.70 percent to 1.85 percent.

The proposed decrease represents a technical amendment which reduces the State Corporation Commission by \$11.9 million NGF to reflect the transfer of the telecommunications relay fee to the Department for the Deaf and Hard of Hearing.

- **Virginia Retirement System**

- *Salary Increases and Benefit Costs.* Proposes \$1.3 million NGF in the second year for pay increases and fringe benefit rate changes that were authorized in the current Appropriation Act.
- *Investment Staff Incentive Pay Plan.* Recommends \$1.5 million NGF in the second year to continue the investment pay plan that was implemented last year.
- *VRS Modernization Project.* Proposes \$4.7 million NGF and 1.0 FTE position to support the reengineering of business processes and the upgrading of the computer systems. This effort is designed to improve customer service.
- *Provide Funding to Upgrade Computer Room.* Proposes \$100,000 NGF for a complete upgrade to the VRS computer room.
- *Leased Space.* Recommends an additional \$190,633 NGF in the second year to account for the costs of leasing additional space for the agency's operations.
- *Increase in the Multiplier for SPORS.* Proposes language to increase the retirement multiplier for the State Police Officers' Retirement System (SPORS) from 1.70 to 1.85 percent of the members' average final compensation (AFC). This change would affect individuals who retire on or after July 1, 2007. A companion amendment proposes funding for this initiative in the budget for the state police. The proposed language would also uncouple the current statutory link between the retirement benefits provided to state police officers under SPORS and those

provided to local public safety officers under the voluntary Law Enforcement Officers Retirement (LEOR) program.

- **State Corporation Commission**

- *Transfer Funding for Telecommunications Relay Fee.* Proposes to transfer \$11.9 million NGF in the second year generated by the Telecommunications Relay Fee from the State Corporation Commission to the Department for the Deaf and Hard of Hearing pursuant to the enactment of House Bill 586 during the 2006 General Assembly Session.

- **Virginia College Savings Plan**

- *Additional Staffing Due to Increases in Program Participation.* Recommends an additional 10.0 FTE positions and \$683,149 NGF in the second year. The additional staff is needed due to an increase in participation in the program and the increase in the number of different programs offered.

- **Virginia Workers' Compensation Commission**

- *Additional Staffing for Customer Service.* Recommends an additional 10.0 FTE positions and \$327,584 NGF in the first year and 10.0 FTE positions and \$328,489 NGF in the second year to provide improved customer service to the Commission's stakeholders.