

Independent

Proposed Adjustments as Introduced				
(\$ in millions)				
	FY 2013 Proposed		FY 2014 Proposed	
	<u>GF</u>	<u>NGF</u>	<u>GF</u>	<u>NGF</u>
2012-14 Base Budget, Ch. 890	\$0.0	\$529.4	\$0.0	\$529.4
Proposed increases	0.0	63.8	0.0	122.6
Proposed decreases	(0.0)	(0.0)	(0.0)	(0.0)
\$ Net Change	0.0	63.8	0.0	122.6
HB/SB 30, as Introduced	\$0.0	\$593.2	\$5,165.31	\$652.0
% Change	0.0%	12.1%	0.0%	23.2%
FTEs	0.00	1,666.12	0.00	1,666.12
# Change	0.00	30.00	0.00	30.00

- **Virginia Retirement System**

- *Fill Vacant Positions in Investments.* Recommends \$1.4 million NGF each year to fill eight vacant positions in the Investment Department.
- *Four New Investment Positions.* Includes \$1.2 million NGF each year to fund 4 new positions in the Investment Department. Two of the positions would assist in managing the emerging markets investment allocations and two of the positions would assist in managing the international small cap allocations. The funding includes cost for research materials as well as the staffing cost.
- *General Administrative Costs.* Proposes \$1.5 million NGF in FY 2013 and \$1.0 million in FY 2014 for increases in general administrative costs incurred as a result of the increases in staffing, creation of a disaster recovery site, additional office space, and the quadrennial audit by JLARC.
- *Support Fraud Lawsuit.* Includes \$588,600 NGF in the first year for the VRS to reimburse the Office of the Attorney General for costs incurred as a result of the lawsuit against the Bank of New York Mellon. The VRS will recover the cost reimbursed to the OAG if the lawsuit is successful.

- **State Corporation Commission**
 - *Transfer Unobligated NGF Balances to the General Fund.* Assumes a transfer of \$3.2 million in the first year from unobligated NGF balances within the Commission to the General Fund.

- **State Lottery Department**
 - *Increase Appropriation to Reflect Increased Sales.* Provides \$805,299 NGF in the first year and \$838,446 NGF in the second year to reflect increased administrative expenses directly linked to increases in lottery sales.
 - *Funding for Contract Rate Increase.* Includes \$571,200 NGF in the first year and \$599,760 NGF in the second year to fund increased expenses incurred under the terms of the new contract with the vendor who provides and distributes scratch tickets.

- **Virginia College Savings Plan**
 - *Adjust Appropriation for Projected Payments.* Includes an increase in the NGF base appropriation of \$50.6 million in FY 2013 and \$110.6 million in FY 2014 for increases within the Virginia Prepaid Education Program and the Virginia Education Savings Trust Program. The increases reflect growth in participation in the programs, increases in tuition costs, and recent increases in investment returns.
 - *Adjust Appropriation for Increased Administrative Expenses.* Proposes an additional \$1.0 million NGF in both FY 2013 and FY 2014 to reflect increased administrative expenditures mostly for data and security issues.

- **Virginia Workers' Compensation Commission**
 - *Additional Staffing.* Proposes \$1.5 million NGF each year to fund 18 new positions at the commission. The positions are needed to accommodate an increased workload for the Commission.
 - *General Administrative Costs.* Proposes \$1.9 million NGF each year to reflect increases in general administrative cost incurred as a result of the increases in staffing, higher energy costs and increased VRS contribution costs.