

Independent

Adopted Adjustments (\$ in millions)				
	FY 2021 Adopted		FY 2022 Adopted	
	<u>GF</u>	<u>NGF</u>	<u>GF</u>	<u>NGF</u>
2018-20 Base Budget, Ch. 854	\$0.2	\$986.9	\$0.2	\$986.9
Adopted Increases	6.6	44.5	6.6	71.5
Adopted Decreases	<u>0.0</u>	<u>(5.3)</u>	<u>0.0</u>	<u>(28.3)</u>
\$ Net Change	6.6	39.2	6.6	43.2
Ch. 1289 (HB 30, as Adopted)	\$6.8	\$1,025.6	\$6.8	\$1,052.9
% Change	3,638.6%	4.0%	3,638.6%	4.4%
FTEs	0.00	1,925.00	0.00	1,944.00
# Change	0.00	161.00	0.00	180.00

Unallotted Spending

(pending the assessment of the impact of a potential general fund revenue shortfall caused by the COVID-19 pandemic)

	<u>FY 2021</u>	<u>FY 2022</u>
Workers' Compensation Commission		
Fund Medical Expenses for Victims of Sexual Assault	\$4,708,576	\$4,708,576
Total	\$4,708,576	\$4,708,576

Note: Unallotting an appropriation is an executive function that prevents an agency from expending such appropriation. Budget language was included to authorize any particular spending items will no longer apply until such time as the General Assembly re-enacts such appropriation after acceptance of a revenue forecast that supports the underlying appropriation.

- **State Corporation Commission**

- ***Establish Virginia Health Benefit Exchange.*** Provides \$8.3 million NGF the first year and \$13.4 million NGF the second year to establish a State Health Benefit Exchange (Exchange), to be implemented by the State Corporation Commission (SCC, for the purposes of providing a health insurance marketplace for the purchase and sale of qualified health and dental plans in the individual and small group markets. Language 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.
- ***Provide Oversight of Education Loan Servicers.*** Includes \$123,455 NGF the first year and \$211,390 NGF and 2.00 FTE positions the second year to issue licenses and register education loan servicers, pursuant to Chapters 1198 and 1250 of the 2020 Acts of Assembly (HB 10/SB 77), which require 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.
- ***Provide Funding for Regulation of Debt Settlement Service Providers.*** Provides \$23,240 NGF and 1.00 FTE position the first year, and \$245,580 NGF and 3.00 FTE

positions the second year for the regulation of debt settlement service providers, pursuant to the passage of Chapter 785 of the 2020 Acts of Assembly (HB 1553).

- ***Expand Licensing Requirements for Short-Term Lenders.*** Adds \$69,710 NGF and 2.00 FTE positions the first year and \$297,070 NGF and 4.00 FTE positions the second year to expand the scope of licensing requirements for short-term loan providers, pursuant to the passage of Chapters 1218 and 1258 of the 2020 Acts of Assembly (HB 896/SB 421).
- ***Delay Effective Date of Legislation.*** Includes language delaying the effective dates of Chapters 734 and 636 of the 2019 Acts of Assembly (HB 2478/SB 2272), in order to provide the State Corporation Commission sufficient time to complete information technology software upgrades necessary to effectuate the provisions of the legislation.
- ***Assess Hearing Aid Insurance Mandate.*** Includes language directing the Health Insurance Reform Commission to assess, in a joint collaboration with the Bureau of Insurance and the Joint Legislative Audit and Review Commission to determine the social and financial impact of establishing an insurance mandate to provide hearing aid coverage for children, and report on the results of the assessments to the House Appropriations and Senate Finance & Appropriations Committees by November 1, 2020.

- **Virginia Lottery**

- ***Establish Operating and Regulatory Support for Casino Gaming.*** Provides 96.00 FTE positions each year and language specifying that the regulation and oversight of casino gaming by the Virginia Lottery shall be paid from a combination of gaming licensing, related fees and an additional \$16.0 million each year from the Gaming Proceeds Fund. Language also permits the Secretary of Finance to authorize an interest free loan, with a repayment period longer than 12 months, for the Lottery to fund start-up costs associated with the implementation of casino gaming activities.
- ***Purchase Lottery Retail and Operating Equipment.*** Adds \$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.
- ***Provide Positions to Implement iLottery.*** Provides 10.00 FTE positions each year to implement the provisions of Chapters 332 and 117 of the 2020 Acts of Assembly (HB 1383/SB 922), which repeal the prohibition on selling Lottery tickets over the internet.

- ***Provide Funding and Positions to Implement Sports Betting.*** Adds \$2.3 million NGF and 5.00 FTE positions each year for the oversight and regulation of Sports Betting, established pursuant to Chapters 1218 and 1256 of the 2020 Acts of Assembly (HB 896/SB 384). The expenses related to such oversight and regulation are to be derived from ongoing licensing and fees associated with Sports Betting. Language also permits the Secretary of Finance to authorize an interest free loan, with a repayment period longer than 12 months, for the Lottery to fund start-up costs associated with the implementation of Sports Betting.

- **Virginia College Savings Plan**

- ***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 funding would go toward general operating expenses.
- ***Provide Additional Funding for ABLEnow Program.*** Provides \$1.3 million NGF each year for additional support for the ABLEnow program to help individuals with disabilities.
- ***Provide Additional Funding for SOAR Program.*** Adds \$1.0 million NGF each year to fully fund the SOAR Virginia program.
- ***Provide Customer Service and Fraud Prevention Services.*** Adds \$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.

- **Virginia Retirement System**

- ***Expand In-house and Private Investment Activities.*** Provides \$1.4 million NGF and two positions the first year and \$1.8 million NGF and one position the second year (total of three 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 three positions the first year and \$403,484 NGF and one position the second year (total of four 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.* Adds \$501,526 NGF and one 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 three 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.* Provides \$468,504 NGF the first year and \$470,979 NGF the second year and one 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 three 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.* Adds \$4.0 million NGF the first year and \$4.2 million NGF the second year and three 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.* Provides \$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 (Unallotted).*** Provides \$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.
- ***Require SAFE Payment Program Reporting.*** Includes language requiring the Workers' Compensation Commission to prepare and deliver a report on the number of exams performed by medical providers for victims of sexual assault, for which reimbursement is sought, billed, and paid-for through the Sexual Assault Forensic Exam (SAFE) payment program. The report is due by November 1 each year to the Chairs of the House Appropriations and Senate Finance & Appropriations Committees.