



Independent Agencies

Overview

Independent agencies do not report through any of the three branches of state government. They are, however, state agencies and receive their spending authority through the Appropriation Act. The independent agencies consist of the State Corporation Commission, the Virginia Workers' Compensation Commission, the State Lottery Department, the Virginia Retirement System, the Virginia Commonwealth University Health System Authority, and the Virginia College Savings Plan.

Summary of recommended funding for Independent agencies

Agency	Fiscal year 2001			Fiscal year 2002		
	GF	NGF	All funds	GF	NGF	All funds
Virginia Commonwealth University Health System Authority	N/A	N/A	N/A	N/A	N/A	N/A
State Corporation Commission	0.0	70.1	70.1	0.0	71.5	71.5
State Lottery Department	0.0	73.1	73.1	0.0	72.9	72.9
Virginia Retirement System	0.0	3.7	3.7	0.0	3.7	3.7
Virginia College Savings Plan	0.0	24.0	24.0	0.0	23.7	23.7
Virginia Workers' Compensation Commission	0.0	15.0	15.0	0.0	15.0	15.0
Virginia Office for Protection and Advocacy	0.0	0.0	0.0	0.0	0.0	0.0
Total for Independent Agencies	0.0	186.0	186.0	0.0	186.9	186.9

Dollars in millions. Figures may not add due to rounding. See "How to read the summary tables" on page 8.

Virginia Commonwealth University Health System Authority

The Medical College of Virginia (MCV) Hospitals Authority was created by legislation passed by the 1996 General Assembly. On July 1, 1997, the authority became an independent political subdivision and is no longer a state agency. The 2000 General Assembly approved legislation to rename the authority to incorporate the merger of Medical College of Virginia Hospitals and MCV Physicians. As of July 1, 2000, MCV Hospitals and MCV Physicians implemented a reorganization and now operate, under a single management structure, as Virginia Commonwealth University Health System Authority.

The authority continues to deliver general, specialized, and critical medical care to inpatients, as well as to ambulatory and emergency patients. In addition, the authority continues to maintain a close relationship with Virginia Commonwealth University by providing students with medical instruction through research, clinical experience, and educational training.

The authority is licensed to operate 697 adult beds and 25 nursery beds. In 2000, it had an occupancy rate of 71 percent. Almost all of its budget comes from nongeneral fund sources, such as patient fees and federal grants.

Although the authority is no longer a state agency, the 1996 General Assembly enacted legislation to provide that its staff will remain state employees through the year 2001. For this reason, the authority is still carried in the Budget Bill, showing positions but no funding.

No recommended amendments

State Corporation Commission

The commission, one of the few agencies established in the Virginia Constitution, protects the interests of consumers by regulating a variety of businesses. It spends 38 percent of its budget to regulate public utilities, railroads, financial institutions, payments to localities, and securities (stocks and bonds). Twenty seven percent of its budget is used to regulate insurance companies, including 1,582 companies, 93,500 agents and agencies, with over 129,000 licenses and almost 660,000 appointments. Twelve percent of its budget is used to charter and supervise about 195,000 foreign and domestic corporations, 35,600 limited liability companies, and over 8,600 limited and general partnerships. The agency's budget is appropriated totally from nongeneral fund sources: taxes on public service companies and railroads, insurance assessments, bank assessments, corporation registration fees, and securities fees. In fiscal year 2000, less than one percent of the agency's spending was from federal funds.

No recommended amendments

State Lottery Department

The agency operates the state lottery, which currently offers instant ticket and on-line lottery games. In fiscal year 2000, the agency sold about \$973 million in lottery tickets through 5,400 retailers and earned about \$323.5 million for the state. Lottery winners collected over \$537 million in prizes. Over half of all money received goes to prizes, about six percent goes to retailers selling lottery tickets, and a third is deposited into the state treasury. Up to 10 percent of the ticket sales revenue can be used to operate the department, but the agency actually spent about \$67 million (less than seven percent) to operate in 2000. The agency's revenue is all from nongeneral sources, the sale of lottery tickets. The agency receives no federal funds.

No recommended amendments

Virginia College Savings Plan

The Virginia College Savings Plan was established July 1, 1996, to "enhance the accessibility and affordability of higher education for all citizens of the Commonwealth" through the creation of the Virginia Prepaid Education Program (VPEP), and in 1999, the creation of the Virginia Education Savings Trust (VEST).

VPEP offers an affordable, flexible savings plan that enables parents to prepare for their children's higher educational expenses by locking in future tuition costs at today's prices. Payments into the program are invested so that their steady growth will cover future college tuition and mandatory fees. Contracts may be purchased only during an annual enrollment period for children ages newborn to ninth grade. At the close of fiscal year 2000, the agency was maintaining over 33,000 prepaid tuition contracts, representing commitments of over \$485 million to children's higher education.

VEST provides a method to save for all college costs, including tuition, fees, room and board, textbooks, and computers. VEST participants have the opportunity to make an initial investment selection from among seven portfolios to target an investment mix that fits their individual investment goals. VEST will have continuous enrollment with no residency requirements or age limits. At the close of fiscal year 2000, the agency was maintaining over 5,500 savings trust accounts with a market value of \$22 million.

The agency's revenue is derived solely from nongeneral fund sources, that is, investment earnings of the VPEP program and administrative fees charged to all VEST participants' investment portfolios. The agency does not receive any federal funds.

No recommended amendments

Virginia Retirement System

The Virginia Retirement System (VRS) administers a statewide multi-employer retirement system for public employees. It provides pension and related benefit services to state employees, judges, state police officers, teachers and non-professional employees of public school boards, and other employees of participating political subdivisions. In addition to the pension plan, the VRS administers a group life insurance program, an optional life insurance program for employees participating in the group life insurance program, the Virginia Sickness and Disability Program, a deferred compensation program, and a retiree health insurance credit program for retirees of participating employers. The VRS mission is to administer pension benefits and associated services by serving as stewards of the funds in their care, and providing appropriate retirement guidance to the membership. Because of the agency's investment expertise, the retirement and other trust funds grew to over \$40.0 billion during fiscal year 2000. All of the agency's revenue is from nongeneral fund sources, payments made by state agencies and localities that participate in the retirement system and group life programs. The agency does not receive any federal funds.

Recommended amendment:

- ▶ **Increase the number of authorized positions for the agency.** A technical adjustment to allow the agency to hire more positions that are needed to support increased demands on the agency's information systems and technology support staff. The increased demand is due to growth in the number of system retirees and participants, as well as a number of recently added benefits. Funding for these positions will be absorbed within the existing appropriation of the agency. For 2001, seven positions (NGF).

Virginia Workers' Compensation Commission

The commission administers the Virginia Workers' Compensation Act and the Crime Victim Compensation Program. Over half of the agency's budget goes for processing, examining, and making rulings on claims from injured or ill workers. During calendar year 1999, the agency handled over 130,000 reported on-the-job accidents. It entered compensation awards on 29,389 claims. The commission also

provides judicial review for contested claims, and issues written decisions at each level of adjudication. The agency adjudicated 13,181 cases during 1999.

The commission also provides money to victims of violent crimes from fees imposed on convicted criminals and from the federal crime victim compensation fund. During fiscal year 2000, it paid about \$2.0 million to benefit crime victims who were disabled or suffered financial hardship because of the crimes committed against them.

The agency's revenue is all from nongeneral sources. In fiscal year 2000, 2.8 percent of the agency's spending was from federal funds.

No recommended amendments

Virginia Office for Protection and Advocacy

The 2000 General Assembly established the Virginia Office for Protection and Advocacy in the 2000 Appropriation Act by removing the Department for Rights of Virginians with Disabilities from the executive branch and reestablishing it as an independent agency under the new name. The appropriations and positions for this new agency were contingent upon approval of House Bill 491, which was vetoed by the Governor. The veto was sustained, so the new agency was never created.

Recommended amendment:

- ▶ **Eliminate the Virginia Office for Protection and Advocacy.** A housekeeping amendment to transfer the appropriation and positions for the agency to the Department for Rights of Virginians with Disabilities. For 2001, a reduction of \$437,357 (GF) and 6.88 positions (GF), and a reduction of \$1.6 million (NGF) and 19.12 positions (NGF). For 2002, a reduction of \$437,755 (GF) and a reduction of \$1.6 million (NGF).



Independent Agencies

Detail Tables

	Fiscal Year 2001			Fiscal Year 2002		
	General	Nongeneral	All Funds	General	Nongeneral	All Funds
MEDICAL COLLEGE OF VIRGINIA HOSPITALS AUTHORITY						
2000-2002 legislative appropriation	N/A	N/A	N/A	N/A	N/A	N/A
Total recommended funding	0	0	0	0	0	0
% change over legislative appropriation	N/A	N/A	N/A	N/A	N/A	N/A
Position Level:						
2000-2002 legislative appropriation	0	3,727.38	3,727.38	0	0	0
Recommended amendments	0	0	0	0	0	0
Total recommended positions	0	3,727.38	3,727.38	0	0	0
STATE CORPORATION COMMISSION						
2000-2002 legislative appropriation	0	70,119,549	70,119,549	0	71,534,099	71,534,099
Total recommended funding	0	70,119,549	70,119,549	0	71,534,099	71,534,099
% change over legislative appropriation	0%	0%	0%	0%	0%	0%
Position Level:						
2000-2002 legislative appropriation	0	647.00	647.00	0	653.00	653.00
Recommended amendments	0	0	0	0	0	0
Total recommended positions	0	647.00	647.00	0	653.00	653.00
STATE LOTTERY DEPARTMENT						
2000-2002 legislative appropriation	0	73,115,348	73,115,348	0	72,924,863	72,924,863
Total recommended funding	0	73,115,348	73,115,348	0	72,924,863	72,924,863
% change over legislative appropriation	0%	0%	0%	0%	0%	0%
Position Level:						
2000-2002 legislative appropriation	0	309.00	309.00	0	309.00	309.00
Recommended amendments	0	0	0	0	0	0
Total recommended positions	0	309.00	309.00	0	309.00	309.00

	Fiscal Year 2001			Fiscal Year 2002		
	General	Nongeneral	All Funds	General	Nongeneral	All Funds
BOARD OF THE VIRGINIA HIGHER EDUCATION TUITION TRUST FUND						
2000-2002 legislative appropriation	0	3,714,922	3,714,922	0	3,715,469	3,715,469
Total recommended funding	0	3,714,922	3,714,922	0	3,715,469	3,715,469
% change over legislative appropriation	0%	0%	0%	0%	0%	0%
Position Level:						
2000-2002 legislative appropriation	0	30.00	30.00	0	30.00	30.00
Recommended amendments	0	0	0	0	0	0
Total recommended positions	0	30.00	30.00	0	30.00	30.00
VIRGINIA RETIREMENT SYSTEM						
2000-2002 legislative appropriation	0	24,000,632	24,000,632	0	23,734,336	23,734,336
Total recommended funding	0	24,000,632	24,000,632	0	23,734,336	23,734,336
% change over legislative appropriation	0%	0%	0%	0%	0%	0%
Position Level:						
2000-2002 legislative appropriation	0	203.00	203.00	0	207.00	207.00
Recommended amendments	0	7.00	7.00	0	7.00	7.00
Total recommended positions	0	210.00	210.00	0	214.00	214.00
VIRGINIA WORKERS' COMPENSATION COMMISSION						
2000-2002 legislative appropriation	0	15,013,377	15,013,377	0	15,020,336	15,020,336
Total recommended funding	0	15,013,377	15,013,377	0	15,020,336	15,020,336
% change over legislative appropriation	0%	0%	0%	0%	0%	0%
Position Level:						
2000-2002 legislative appropriation	0	180.00	180.00	0	180.00	180.00
Recommended amendments	0	0	0	0	0	0
Total recommended positions	0	180.00	180.00	0	180.00	180.00
VIRGINIA OFFICE FOR PROTECTION AND ADVOCACY						
2000-2002 legislative appropriation	437,357	1,633,674	2,071,031	437,755	1,634,257	2,072,012
Recommended amendments:						
▶ Eliminate the Virginia Office for Protection and Advocacy	(437,357)	(1,633,674)	(2,071,031)	(437,755)	(1,634,257)	(2,072,012)
Total recommended amendments	(437,357)	(1,633,674)	(2,071,031)	(437,755)	(1,634,257)	(2,072,012)
Total recommended funding	0	0	0	0	0	0
% change over legislative appropriation	(100.00%)	(100.00%)	(100.00%)	(100.00%)	(100.00%)	(100.00%)

	Fiscal Year 2001			Fiscal Year 2002		
	General	Nongeneral	All Funds	General	Nongeneral	All Funds
Position Level:						
2000-2002 legislative appropriation	6.88	19.12	26.00	6.88	19.12	26.00
Recommended amendments	(6.88)	(19.12)	(26.00)	(6.88)	(19.12)	(26.00)
Total recommended positions	0	0	0	0	0	0
TOTAL FOR INDEPENDENT AGENCIES						
Grand total recommended funds	0	185,963,828	185,963,828	0	186,929,103	186,929,103
Grand total recommended positions	0	5,103.38	5,103.38	0	1,386.00	1,386.00