

**Department of Planning and Budget
2026 General Assembly Session
State Fiscal Impact Statement**

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REVISED (Version 3)

Bill Number: SB434

Patron: McPike

Bill Title: Virginia Birth-Related Neurological Injury Compensation Program and Fund; board of directors; plan of operation; filing of claims; awards and coverage for expenses or services.

Bill Summary: Makes numerous changes to the Virginia Birth-Related Neurological Injury Compensation Program and Fund. The bill alters the composition of the Program's board of directors to include three relatives of current or former beneficiaries, allows for the electronic submission of claims, and expands discovery of parties to a claim. The bill further requires the Program's board of directors to establish a blanket surety bonding program for all employees with access to the Fund and requires the board to meet at least once monthly. Finally, the bill increases from \$100,000 to \$500,000 the amount that may be awarded to families whose infant has sustained a birth-related neurological injury.

Budget Amendment Necessary: Yes

Items Impacted: Item 487

Explanation: The Virginia Workers' Compensation Commission (VWC) estimates a nongeneral fund impact of \$1.4 to \$1.6 million to establish an in-house system to electronically file claims under the Virginia Birth-Related Neurological Injury Compensation Program.

Fiscal Summary: To establish electronic filing of petitions for Virginia Birth-Related Neurological Injury Compensation cases, VWC would have to develop and implement a system in-house, which would cost \$1.4 to \$1.6 million.

This is a revised fiscal impact statement indicating the cost of this legislation is a nongeneral fund impact and not a general fund impact, as § 38.2-5018 of the Code of Virginia currently provides VWC is to be reasonably reimbursed for operating expenses.

Nongeneral Fund Expenditure Impact:

Agency	<u>FY2026</u>	<u>FY2027</u>	<u>FY2028</u>	<u>FY2029</u>	<u>FY2030</u>	<u>FY2031</u>
VWC		\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000
TOTAL		\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000

Fiscal Analysis: The Virginia Workers' Compensation Commission (VWC)'s role with the Birth Injury Fund is to adjudicate dispute claims under the Fund, but has no oversight, responsibility, or authority over the administration and operation of the Fund. Therefore, VWC would have to develop and implement a system quickly if the legislation passes. The VWC anticipates a cost of \$1.4 to \$1.6 million to develop and implement an e-filing system. VWC indicates the Birth Injury Fund would support the increase in nongeneral fund appropriation.

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Other: Other bills establishing electronic filing of petitions under the Virginia Birth-Related Neurological Injury Compensation Program are HB1007, SB235, and SB398.