Virginia Birth-Related Neurological Injury
COMPENSATION PROGRAM

Virginia Birth-Related Neurological Injury Compensation Program
Board of Directors — Budget/Finance Committee Meeting
Tuesday, November 17, 2026
The Library of Virginia
DRAFT MINUTES

ATTENDANCE:

Committee Members Present:
John Gordon, Committee Chair
Joel Dillon., Board Vice Chair
James Moon
Kimberly Uccellini, Chief Program Officer
Allison Lundberg, Data Analyst
Susan Tlusty, Policy & Quality Manager
Sarah Roache, Sr. Program Analyst

Staff Present:
Mark Swain, Executive Director
Stephen Weir, Fractional CFO
Tyler McPhillips, Trustward
Shelby Boughner, Chief of Staff

Members of the Public Present
Matt Dufek, CEO Kikoda

Minutes recorded by: Shelby Boughner, Chief of Staff

CALL TO ORDER

Chair John Gordon called the meeting to order at 12:27 p.m. on Tuesday, November 17, 2026 and moved that the Committee commence its regular business; the motion was seconded and carried unanimously.

CONSIDERATION OF THE PRELIMINARY 2027 BUDGET

The Committee reviewed a preliminary 2027 budget reflecting a substantial increase in participant funding following the legislative changes effective July 1. Swain noted that the forecast relied on one quarter of data under the new conditions and required further review.

Accuracy and timing. Executive Director Mark Swain advised against seeking final approval in December. The draft budget before the Committee was based on one quarter of data under the changed conditions; the actuarial report was delayed, and the numbers needed further examination.

Cambridge Associates expenses. Committee member Joel Dillon asked whether the OCIO service fees had been accounted for. Stephen Weir responded that it was not in this budget because this was an operational expense budget. However, the expenses would appear on the balance sheet as part of the net change in asset value, and it had been appropriately categorized in the financial statements produced during the audits.

Staffing. Committee member Dillon raised the historical underfunding of staff and internal infrastructure and asked whether that could impair collections. Uccellini reported work was underway to identify tasks not currently performed, work done "side of desk," gaps, positions that might be needed, and headcount that might be repurposed.

Board's information needs. Committee Chair John Gordon asked management to state what staffing and other resources it needed to operate, rather than leave the Board to infer those needs from the numbers. Gordon also called for a budget narrative with assumptions clearly spelled out for every line item, including explanations meaningful to stakeholders who are not finance specialists.

Approach to Approval and Reforecasting. Committee member Joel Dillon remarked that entering a new fiscal year without a budget would set a bad precedent and favored approving a preliminary budget, even if it might change substantially. The discussion then turned to presenting a preliminary or conditional full-year budget to the Board in December, expressly subject to revision, rather than waiting for final confidence in every figure. Members discussed reforecasting at quarterly Finance & Budget Committee meetings and taking revisions to the full Board when needed.

Third-party administrator and CARES. Stephen Weir described MCI/Rising as costing $85,000 per month. The 2027 budget included only part of a year of that cost because of the anticipated transition to CARES. Weir also reported that a recent review indicated that 85% of CARES costs should be capitalized and 15% expensed, rather than capitalizing all of them as then shown.

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Cash or accrual. Stephen Weir described the proposed budget as an accrual budget and noted that capital expenses would be capitalized. Committee Chair Gordon reiterated the importance of sources and uses of cash. Executive Director Swain asked whether a "cash budget" was separate from cash flow; Weir repoted that they are treated as the same for that discussion and pointed to a cash forecast in the materials sent to members.

Actuarial provision. Weir reported that the budget included $150,000 for actuarial consultants. Two possible firms had been identified, but an RFP had not been issued. The proposed sequence was to receive the current state actuarial report, speak with the Virginia Bureau of Insurance about potentially overlapping scopes of work, and then pursue the organization's own actuarial work. Executive Director Swain stated that he expects the delayed state report this week, and said it would be available for the next month's Board meeting.

Assessment Revenue and Theoretical Maximum. Joel Dillon asked for a clearer account of current collections, the theoretical maximum, and the levers for increasing revenue. Weir reviewed potential revenue opportunities across several assessment categories. Insurers reportedly paid the maximum assessment in the prior year, with assessments calculated at 25 basis points on insurance issued, allowing revenue to increase as the underlying insurance volume grows. Physician assessments were described as $300 per doctor, with approximately 20,000 unpaid assessments from the prior year representing a potential $6 million in revenue. Expanded outreach this year could theoretically generate up to $9 million in additional revenue, although Weir emphasized that this estimate was aggressive given collection challenges, including outdated contact information. Participation by certain physicians and hospitals remains voluntary, making maximum revenue projections less predictable. The discussion highlighted opportunities to strengthen outreach, education, and collections. Program management agreed to develop a visual summary illustrating current collections, theoretical revenue potential, and key opportunities for revenue growth.

Participant Impact & Seasonality. Committee Chair Gordon asked for the budget explanation to address changes affecting families, including what the

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changes mean alongside what drives thenumbers. Committee member Dillon asked whether expenses showed seasonality. Program management reported that little expense-side seasonality was apparent, although better data could test that view.

2027 Committee Calendar. For 2027, the proposed committee calendar was a March reforecast, a June reforecast, and a September preliminary-budget discussion, with a reforecast then if needed. December remained the anticipated Board budget-approval period.

ADJOURNMENT

There being no further business before the Committee, on motion of Chair John Gordon, seconded by Joel Dillon, the Committee adjourned at 1:15 p.m.

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