

VIRGINIA RETIREMENT SYSTEM

2002 Fiscal Impact Statement

1. Bill Number HB950

House of Origin Introduced Substitute Engrossed
Second House In Committee Substitute Enrolled

2. Patron Landes

3. Committee Appropriations

4. Title Law Officers' Retirement System; membership.

5. Summary/Purpose:

This bill expands the definition of "employee" to include special agents of the Department of Corrections, making such individuals members of the Virginia Law Officers' Retirement System.

6. Fiscal Impact Estimates are:

6a. Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2001-02			
2002-03			
2003-04	\$167,900		GF
	\$18,656		NGF

7. Budget amendment necessary: Yes. Item 511

8. Fiscal implications:

The cost of this bill has been calculated using actuarially determined rates from the June 30, 2001 valuations. Chapter 1073 of the 2000 Acts of Assembly requires the VRSto conduct actuarial valuations annually. The costs associated with this bill would accrue in FY03 and FY04, but would not be recognized in the employer contribution rates until FY04.

There have been 5 bills introduced this year to include 5 new groups of employees under VALORS, not including those including sheriffs and deputies. The fiscal impact of all of the new groups is shown in the table below. In 1999, the General Assembly and Governor approved the establishment of the Virginia Law Officers Retirement System (VALORS) to provide benefits equivalent to state police officers to certain other law enforcement positions. The law was effective October 1, 1999 and the benefit structure was amended last year. VRS continues to recommend that before any other group of employees are included under VALORS, the General Assembly consider the criteria it will use to determine future eligibility. VRS respectfully requests that no favorable action be taken on this bill until a uniform policy for inclusion is established. Failure to have an established and consistent policy for inclusion of members in VALORS may result in employee initiated suits for inclusion that will leave the Commonwealth with no valid defense.

GROUP	#OFFEE'S	FY02 COMP.	FYO4 COST	BILL#
DMVENF.	72	\$3,167,104	\$637,046	H141(Abbitt)
JUV.PROB. &PAROLE	256	\$29,382,820	\$5,910,195	S491(Newman)
LOTTERY	10	\$517,460	\$104,084	S491(Newman)
DOCSP. AGENTS	24	\$927,473	\$186,556	H950(Landes) H968(Jones,D.C.)
VDOTCO NST., MAINT.& REPAIR	5,750	\$162,420,000	\$32,669,903	S430(Ruff)

9. Specificagencyorpoliticalsubdivisionsaffected:VRSandDepartmentofCorrections

10. Technicalamendmentnecessary:No

11. Othercomments:ThisisthesameasHB968.

Date: 01/19/02/wgh

Document:hb950