

VIRGINIA RETIREMENT SYSTEM

2001 Fiscal Impact Statement

1. **Bill Number** HB141

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

2. **Patron** Abbitt

3. **Committee** Appropriations

4. **Title** Virginia Law Officers' Retirement System; membership.

5. **Summary/Purpose:**

This bill expands membership in the Virginia Law Officers' Retirement System to include sworn members of the enforcement division of the Department of Motor Vehicles.

6. **Fiscal Impact Estimates are:**

6a. **Expenditure Impact:**

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2000-01			
2001-02			
2002-03	\$573,341		GF
	\$63,705		NGF

6b. **Revenue Impact:**

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2000-01			
2001-02			
2002-03			

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 VRS to 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.	FY04 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.)
VDOTCONST., MAINT.& REPAIR	5,750	\$162,420,000	\$32,669,903	S430(Ruff)

9. Specific agency or political subdivisions affected: VRS and DMV

10. Technical amendment necessary: No

11. Other comments: None

Date: 01/19/02/wgh

Document: hb141