

Virginia Retirement System
Revised 2004 Fiscal Impact Statement
(Revision to Other Comments Section)

1. Bill Number HB576

House of Origin	<input checked="" type="checkbox"/> Introduced	<input type="checkbox"/> Substitute	<input type="checkbox"/> Engrossed
Second House	<input type="checkbox"/> In Committee	<input type="checkbox"/> Substitute	<input type="checkbox"/> Enrolled

2. Patron Hamilton

3. Committee Education

4. Title Enhanced compensation and retirement benefits for certain employees of local

5. Summary/Purpose:

Enhanced compensation and retirement benefits for certain employees of local public school boards. Authorizes local school boards to employ turnaround specialists to address conditions at a public school that may impede educational progress and effectiveness and academic success. The bill also authorizes local school boards to offer increased retirement benefits and compensation to turnaround specialists and licensed instructional personnel teaching in a subject matter in grades six, seven, or eight under a middle school critical shortage program adopted by the State Board of Education.

6. VRS has been advised by the Department of Education that, initially, less than 100 teachers should be affected by this Bill. Because of the small number of teachers, there is no significant actuarial cost to this Bill. However, should this group expand in the future, this Bill may have an affect on the contribution rate for the teacher pool, the cost of which is shared by the Commonwealth and the local school divisions.

7. Budget amendment necessary:

8. Fiscal implications: This bill provides a special benefit to a small group of members. VRS is concerned that approval of this bill could set a precedent for allowing other groups to request the same or similar treatment. It is also the first group outside of the Judicial Retirement System that will receive “weighted” service credit.

9. Specific agency or political subdivisions affected: VRS and local school divisions.

10. Technical amendment necessary: No

11. Other comments: VRS understands that a substitute bill will be offered that will limit the number of teachers eligible for the enhanced retirement benefits to 120 statewide and will provide a sunset provision. VRS continues to be concerned that this bill sets a precedent for allowing other groups to request the same or similar enhanced retirement benefits.

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