

Virginia Retirement System 2006 Fiscal Impact Statement

1. Bill Number HB417

House of Origin ☒ Introduced ☐ Substitute ☐ Engrossed

Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. Patron Tata

3. Committee **Commerce and Labor**

4. Title Birth-Related Neurological Injury Program; Virginia Retirement System; employee benefits.

5. Summary/Purpose:

Birth-Related Neurological Injury Program; Virginia Retirement System; employee benefits. Eliminates requirements that the investment advisors retained by the board of directors of the Birth-Related Neurological Injury Program be from a list provided by the chief investment officer of the Virginia Retirement System and that the board consult with the chief investment officer semiannually. Any investment advisor retained by the board will be required to either be a federal covered investment advisor or registered with the State Corporation Commission under the Securities Act. The measure also provides that employee of the Program shall be treated as state employees for purposes of participation in the Virginia Retirement System and shall be eligible to participate in programs or plans for health insurance coverage for state employees.

6. No Fiscal Impact (or)

Fiscal Impact Estimates are: The cost for adding new employees to the state employee group will be borne by the Birth Related Neurological Injury Program.

7. Budget amendment necessary: No. If this bill is approved, the coverage for the affected employees would begin and the Program would be charged a contribution rate effective July 1, 2006.

8. Fiscal implications: This bill eliminates the provision that the Chief Investment Officer of the Virginia Retirement System provide a list of investment advisors for the program and that the program consult with the Chief Investment Officer semiannually. The only fiscal impact of the bill is the addition of the program employees eligible to participate in the Virginia Retirement System as state employees.

The *Code of Virginia* requires the VRS to set contribution rates every two years. The costs associated with this bill would be charged to the program in FY07.

9. Specific agency or political subdivisions affected: VRS and the Birth-Related Neurological Injury Program.

10. Technical amendment necessary: No

11. Other comments: This bill allows employees of the Birth Related Neurological Injury Program to participate in the VRS as state employees. The Birth-Related Neurological Injury Program as been designated by the General Assembly as a political subdivision of the Commonwealth. As such, the Program could join the VRS without the provisions of this bill. This bill, however, allows the Program to join and pay contribution rates identical to state agencies. Treating political subdivision employees as state employees creates a precedent.

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