

# Virginia Retirement System 2010 Fiscal Impact Statement

**1. Bill Number:** SB175

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

**2. Patron:**        Deeds

**3. Committee:** Finance

**4. Title:**            **Virginia Law Officers' Retirement System (VaLORS).**

**5. Summary:** Adds conservation officers of the Department of Conservation and Recreation as members of VaLORS.

**6. Fiscal Impact Estimates:**

**6a. Expenditure Impact:**

|                 | <u><b>FY 11</b></u> | <u><b>FY 12</b></u> | <u><b>FY 13</b></u> | <u><b>FY 14</b></u> | <u><b>FY 15</b></u> |
|-----------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| State-GF        |                     |                     |                     |                     |                     |
| SPORS-GF        |                     |                     |                     |                     |                     |
| VaLORS-GF       | \$828,000           | \$828,000           | \$853,000           | \$879,000           | \$905,000           |
| JRS-GF          |                     |                     |                     |                     |                     |
| Teacher-GF      |                     |                     |                     |                     |                     |
| Total GF        | <u>\$828,000</u>    | <u>\$828,000</u>    | <u>\$853,000</u>    | <u>\$879,000</u>    | <u>\$905,000</u>    |
| State-NGF       |                     |                     |                     |                     |                     |
| SPORS-NGF       |                     |                     |                     |                     |                     |
| VaLORS-NGF      | \$67,000            | \$67,000            | \$69,000            | \$71,000            | \$73,000            |
| Total NGF       | <u>\$67,000</u>     | <u>\$67,000</u>     | <u>\$69,000</u>     | <u>\$71,000</u>     | <u>\$73,000</u>     |
| Teacher-Local   |                     |                     |                     |                     |                     |
| Local Aggregate |                     |                     |                     |                     |                     |
| Total Local     |                     |                     |                     |                     |                     |
| Grand Total     | <u>\$895,000</u>    | <u>\$895,000</u>    | <u>\$922,000</u>    | <u>\$950,000</u>    | <u>\$978,000</u>    |

**7. Budget Amendment Necessary:** Yes. This bill would require a budget amendment for the FY 2010-12 biennium. The higher VaLORS' contribution rate for these employees would become effective July 1, 2010.

**8. Fiscal Implications:** As of June 30, 2009, the funded status of the VaLORS plan stood at 64.7%. This bill will have an adverse effect on the funded status of the VaLORS plan and increase the unfunded liability of the plan by approximately \$4.8 million.

**9. Specific Agency or Political Subdivisions Affected:** VRS, Virginia Department of Conservation and Recreation, and state agencies employing VaLORS members.

**10. Technical Amendment Necessary:** No

**11. Other Comments:** In 1999, the General Assembly and Governor approved the establishment of the Virginia Law Officers Retirement System (VaLORS) to provide benefits generally equivalent to state police officers to certain other law enforcement and corrections positions. There have been numerous bills introduced since that time to allow additional groups to become eligible to participate in VaLORS which have not been approved.

In its report, *Review of State Employee Total Compensation*, Joint Legislative Audit and Review Commission (JLARC) developed an assessment of several occupational groups, including special and regular conservation officers with the Department of Conservation and Recreation, and rated these groups based on level of risk and responsibility. In addition, JLARC developed a set of guidelines which could be used in conjunction with its risk and responsibility assessment to ascertain if a given occupation merits consideration for inclusion in enhanced benefits.

**Date:** 1/14/2010 psb

**Document:** SB175.DOC