

Virginia Retirement System 2011 Fiscal Impact Statement

1. Bill Number: SB1233

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; membership.

5. Summary: Virginia Law Officers; Retirement System; membership.; Adds conservation officers of the Department of Conservation and Recreation as members of the Virginia Law Officers Retirement System (VaLORS).

6. Budget Amendment Necessary: Yes. This bill would require a budget amendment for the FY12. The higher VaLORS contribution rate for these employees would become effective July 1, 2011.

7. Fiscal Impact Estimates:

7a. Expenditure Impact: The first year cost to include conservation officers as members in VaLORS would be \$568,000.

	<u>FY12 Cost</u>	<u>FY13 Cost</u>	<u>FY14 Cost</u>	<u>FY15 Cost</u>	<u>FY16 Cost</u>	<u>FY17 Cost</u>
State - General Fund	\$ (155,000)	\$ (160,000)	\$ (165,000)	\$ (170,000)	\$ (175,000)	\$ (180,000)
SPORS - General Fund	-	-	-	-	-	-
VALORS - General Fund	826,000	851,000	877,000	903,000	930,000	958,000
JRS - General Fund	-	-	-	-	-	-
Teacher - General Fund	-	-	-	-	-	-
TOTAL General Fund	\$ 671,000	\$ 691,000	\$ 712,000	\$ 733,000	\$ 755,000	\$ 778,000
State - Non-General Funds	\$ (180,000)	\$ (185,000)	\$ (191,000)	\$ (197,000)	\$ (203,000)	\$ (209,000)
SPORS - Non-General Funds	-	-	-	-	-	-
VALORS - Non-General Funds	77,000	79,000	81,000	83,000	85,000	88,000
TOTAL - Non-General Funds	\$ (103,000)	\$ (106,000)	\$ (110,000)	\$ (114,000)	\$ (118,000)	\$ (121,000)
Teacher - Local Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Political Subs - Schools	-	-	-	-	-	-
Political Subs - Non School	-	-	-	-	-	-
TOTAL Local Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grand Totals	\$ 568,000	\$ 585,000	\$ 602,000	\$ 619,000	\$ 637,000	\$ 657,000

8. Fiscal Implications: As of June 30, 2010, the funded status of the VaLORS plan stood at 58.6%. 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 \$5.3 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:

The bill, as drafted, would transfer all of the members' prior VRS service into VaLORS, regardless of whether it was hazardous duty service or not. This would result in the member being immediately vested to the hazardous duty provisions. Further, the bill allows for all of the members' service, without regard to it being in a hazardous duty position, to be subject to the 2.0% multiplier.

In 1999, the General Assembly and Governor approved the establishment of 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 2008 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 (See Appendix D, Pages 156 – 157). 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.

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Document: SB1233.doc