

# Virginia Retirement System 2012 Fiscal Impact Statement

**1. Bill Number:** SB357

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; adds conservation officers of the Department of Conservation and Recreation as members.

**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). Conservation officers would accrue retirement benefits under the Virginia Law Officers' Retirement System only for creditable service on or after July 1, 2012.

**6. Budget Amendment Necessary:** Yes. This bill would require a budget amendment for FY13. The higher VaLORS contribution rate for these employees would become effective July 1, 2012.

**7. Fiscal Impact Estimates:**

**7a. Expenditure Impact:** The first year cost to the Plan to include conservation officers as members in VaLORS would be \$374,700. The actual cost to employers for the first biennium will be approximately \$268,000 based on published rates for FY 13 and FY 14. Rates beyond FY 2014 will be adjusted upward to reflect increased costs of this group.

	FY13 Cost	FY14 Cost	FY15 Cost	FY16 Cost	FY17 Cost	FY18 Cost
Payroll Growth Assumption (includes promotion, COLA, etc.):		0.00%	0.00%	0.00%	0.00%	0.00%
State - General Fund	\$ (289,500)	\$ (289,500)	\$ (289,500)	\$ (289,500)	\$ (289,500)	\$ (289,500)
SPORS - General Fund	-	-	-	-	-	-
VALORS - General Fund	664,200	664,200	664,200	664,200	664,200	664,200
JRS - General Fund	-	-	-	-	-	-
Teacher - General Fund	-	-	-	-	-	-
<b>TOTAL General Fund</b>	<b>\$ 374,700</b>	<b>\$ 374,700</b>	<b>\$ 374,700</b>	<b>\$ 374,700</b>	<b>\$ 374,700</b>	<b>\$ 374,700</b>
State - Non-General Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
SPORS - Non-General Funds	-	-	-	-	-	-
VALORS - Non-General Funds	-	-	-	-	-	-
<b>TOTAL - Non-General Funds</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
Teacher - Local Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Political Subs - Schools	-	-	-	-	-	-
Political Subs - Non School	-	-	-	-	-	-
<b>TOTAL Local Funds</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Grand Totals</b>	<b>\$ 374,700</b>	<b>\$ 374,700</b>	<b>\$ 374,700</b>	<b>\$ 374,700</b>	<b>\$ 374,700</b>	<b>\$ 374,700</b>

Future payroll is assumed to remain constant throughout projection period.

- 8. Fiscal Implications:** As of June 30, 2011, the funded status of the VaLORS plan stood at 55.0%. As this bill applies benefits prospectively, it does not increase the unfunded liability of the plan. As of June 30, 2011 there were 101 conservation officers who would be affected by this change.
- 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 does not transfer all of the members' prior VRS service into VaLORS. As a result, the member would not immediately vest to the VaLORS hazardous duty provisions. Further, this bill limits the application of the 2.0% multiplier for these members to time served in a VaLORS, SPORS, or enhanced hazardous duty position.

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*, the 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.

**Date:** 01.23.2011

**Document:** SB357. DOC