

and regulations applicable to the state board unless they voluntarily choose to comply. Charter schools cannot charge tuition but must adhere to the academic standards and other related requirements of the state board. HB 174 establishes teacher qualifications and would require state and criminal background checks.

Part III: Fiscal Explanation, Bill Provisions, and Estimated Cost

The fiscal impact of HB 174 on local government is minimal.

The subject of the local government mandate is limited to local government's contribution to the County Employees Retirement System (CERS). *The larger concern of the distribution of funds to public and semi-autonomous public schools is **not** within the jurisdiction of the L.M. as these are considered special taxing districts and these districts are not covered by our review.*

The bill requires charter school employees in classified positions, including secretaries, bus drivers, instructional aides, cafeteria works, and custodians, to participate in the County Employees Retirement System (CERS). (Qualified teachers are required to participate in the Kentucky Teachers Retirement System, not CERS). Both the employer and employees will make the required contributions to the retirement system; therefore, the impact is minimal.

Data Source(s): LRC staff; Actuarial Analysis letter dated January 16, 2014, Kentucky Retirement Systems; Local Mandate for 2014 RS HB 85.

Preparer: Wendell F. Butler **Reviewer:** MCY **Date:** 12/30/14