



KENTUCKY RETIREMENT SYSTEMS

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March 13, 2019

Ms. Katie Carney
Office of Fiscal Statement Review
Legislative Research Commission
Capitol Annex, Room 104
Frankfort, KY 40601

**RE: Senate Bill 162 (2019 RS BR 1036) HCS 1 Version
AA Statement Required by KRS 6.350
AA Statement 1 of 1**

Dear Ms. Carney:

Senate Bill 162 (2019 RS BR 1036) HCS 1 amends KRS 158.441 to define "Kentucky State Police school resource officer (KSPSRO)," "school activities," and "school property"; creates a new section of Chapter 158 to specify the requirements of employment of a KSPSRO by a school district; creates a new section of KRS Chapter 162 to prohibit the chief state school officer from approving building plans and specifications that do not provide for at least two water bottle filling stations in each school, at least one drinking fountain or water bottle filling station on each floor and wing of each school building, and at least one drinking fountain or water bottle filling station for every 75 students; and establishes minimum requirements for drinking fountains and water bottle filling stations. The bill has an Emergency clause.

Kentucky Retirement Systems (KRS) staff members have examined Senate Bill 162 (2019 RS BR 1036) HCS 1. Our analysis only pertains to the KRS portion of the bill. We have determined that the bill will not increase or decrease benefits in any of the retirement systems administered by Kentucky Retirement Systems. Furthermore, Senate Bill 162 (2019 RS BR 1036) HCS 1 would not change the actuarial liability of any of the retirement plans administered by KRS.

The bill would potentially increase the participation in benefits within the retirement systems administered by Kentucky Retirement Systems. Senate Bill 162 (2019 RS BR 1036) HCS 1 states that the KSPSROs will be employees of school boards, but shall revert to the Department of Kentucky State Police when they take police action. If a KSPSRO averages 80 or more hours a month over actual days worked in a fiscal year, the school board would be responsible for reporting employee and employer contributions to the County Employees Retirement System (CERS). Furthermore, KSPSROs who are also employed as State Troopers and average in the KSPSRO position would have their service prorated between the CERS and the State Police Retirement System (SPRS); and employed Vehicle Enforcement Officers participating in the Kentucky Employees Retirement System (KERS) who average in the KSPSRO position would have their service prorated between the KERS and the CERS. In addition, if the school board wanted the KSPSRO position to be considered Hazardous for retirement purposes, they would have to petition the KRS Board of Trustees as they do for other positions today.

In accordance with KRS 6.350 (2)(c), Kentucky Retirement Systems certifies the following:

1. The estimated number of individuals affected as of June 30, 2018 are 891 active and 1,445 retired members in the SPRS plan;
2. There is no estimated change in benefit payments;
3. There is a potential increase in employer costs if the SRO averages 80 or more hours a month over actual days worked a fiscal year; and
4. There is no estimated change to administrative expenses.

We have not requested any further actuarial analysis of Senate Bill 162 (2019 RS BR 1036) HCS 1 by the Systems' independent actuary.

Please let me know if you have any questions regarding our analysis of Senate Bill 162 (2019 RS BR 1036) HCS 1.

Sincerely,



David L. Eager
Executive Director
Kentucky Retirement Systems