

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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**FISCAL IMPACT STATEMENT**

**LS 6812**

**BILL NUMBER:** HB 1104

**NOTE PREPARED:** Jan 25, 2024

**BILL AMENDED:** Jan 25, 2024

**SUBJECT:** School Safety.

**FIRST AUTHOR:** Rep. Davis

**FIRST SPONSOR:**

**BILL STATUS:** CR Adopted - 1<sup>st</sup> House

**FUNDS AFFECTED:**    **GENERAL**  
                          **X DEDICATED**  
                          **FEDERAL**

**IMPACT:** State & Local

**Summary of Legislation:** *School Safety Plans and Drills:* The bill provides that a school safety plan developed by a school corporation or charter school must establish an armed intruder drill protocol. It requires safe school committees to develop a policy that considers the effect of armed intruder drills on the safety and mental health of students, faculty, and staff. The bill also prohibits an armed intruder drill that includes sensory components or activities from: (1) requiring student participation; or (2) taking place during regular school hours if a majority of the student body is present on school property.

*School Resource Officers in the 1977 Fund:* The bill allows a school corporation or charter school that: (1) employs a school resource officer; or (2) enters into a contract or a memorandum of understanding with a local law enforcement agency, private entity, or nonprofit corporation to employ a school resource officer; to participate in the 1977 Fund ('77 Fund). It provides that a school resource officer hired or rehired after June 30, 2024, who is a member of the '77 Fund shall remain in the '77 Fund. The bill provides that a school resource officer may become a member of the 1977 fund by meeting certain age and training requirements. It makes corresponding changes.

**Effective Date:** July 1, 2024.

**Explanation of State Expenditures:** *Administration of the '77 Fund:* The Indiana Public Retirement System (INPRS) administers the '77 Fund and would have to make administrative changes to allow school resource officers to join the '77 Fund. The administrative costs would be paid from the fund.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:** *School Safety Plans and Drills:* This bill requires public schools to implement armed intruder drills. It also specifies certain restrictions on the nature of those drills and requires schools to adopt policies to mitigate negative mental health effects of such drills. These requirements constitute a workload increase on public schools, but are within the public schools' routine administrative functions and should be able to be implemented with no additional appropriations, assuming near customary agency staffing and resource levels.

*School Resource Officers in the '77 Fund:* If school resource officers join the '77 Fund or remain in the '77 Fund as allowed under the bill, public schools or school corporations may have increased expenditures for employee pensions. Local employers pay an employer contribution rate for employee pensions as a percentage of employee salary. The employer contribution rate for the '77 Fund is 19.1% for calendar year 2024. Many school resource officers remain officers in their local police department during their time as a school resource officer and may already be members of the '77 Fund.

If affected employees are able to receive service credits for prior service as a school resource officer, schools and school corporations would have additional expenditures to contribute funds necessary to cover the school resource officer's prior service liability. The school resource officer would also be required to contribute an employee contribution amount equal to the amount that they would have contributed had they been members of the '77 Fund during their prior service.

**Explanation of Local Revenues:** *'77 Fund:* If the bill results in increased membership in the '77 Fund, the '77 Fund would receive increased revenues in the form of additional employer and employee contributions. [This would be coupled with an increase in liabilities to pay future pension benefits for the members of the '77 Fund.]

**State Agencies Affected:** Indiana Public Retirement System.

**Local Agencies Affected:** Public schools.

**Information Sources:**

**Fiscal Analyst:** Alexander Raggio, 317-234-9485; Camille Tesch, 317-232-5293.