

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5764-02
Bill No.: HCS for HB 2210
Subject: Elementary and Secondary Education; Department of Elementary and Secondary Education
Type: Original
Date: February 15, 2018

Bill Summary: This proposal creates new provisions related to school finance.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
General Revenue	\$0	\$0	\$0
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 7 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
Total Estimated Net Effect on FTE			

☐ Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
Local Government	(Unknown over \$200,000)	(Unknown over \$200,000)	(Unknown over \$200,000)

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Elementary and Secondary Education (DESE)** assume the proposal will have no fiscal impact on their organization.

Officials from the **Shell Knob #78 School District** assume this proposal would cost \$40,000. The cost of a full-time clerk to work with the bookkeeper to maintain and post the items required under this proposal.

Officials from the **Wellsville-Middletown R-1 School District** assume this proposal has the potential to have a negative fiscal impact on our small rural district for the cost of developing the format to get all of this information posted on the fledgling website and for the time it will require to gather it all from the available sources. All of this denoted information is readily available public information that only requires a request from an interested party to obtain.

Officials from the **Osage R-2 School District** assume this proposal would require an employee who has to spend considerable time making sure that the website can support all of these documents and that all of the documents are uploaded and maintained. The cost to the district would be \$29,000 each year to meet the requirements set by this proposal.

Officials from the **Summersville R2 School District** assume a negative fiscal impact due to time needed to complete this report.

Officials from the **Bakersfield R-IV School District** assume the average cost annually would be approximately \$15,000.

In response to a previous version, HB 2210 (LR 5764-01), officials from the **Raymore-Peculiar School District** assumed the requirements of this bill will involve additional staff time to compile, prepare and post financial information to the school website. It may also increase the cost of the annual financial audit. The estimated cost to implement this proposal is \$5,000 for the district.

In response to a previous version, HB 2210 (LR 5764-01), officials from the **Pattonville School District** estimated this will cost the district \$20,000 per year in personnel costs to meet the reporting requirements and the shortened audit timelines. Also, the district estimates the additional audit fees associated with the requirements of this bill to equal an additional \$15,000 per year. The total estimated impact is \$35,000 per year.

ASSUMPTION (continued)

In response to a previous version, HB 2210 (LR 5764-01), officials from the **Kirksville R-III School District** assumed this proposal will cause a negative fiscal impact on the district.

In response to a previous version, HB 2210 (LR 5764-01), officials from the **Macon County R-IV School District** stated the district has one bookkeeper and one secretary and the time to produce all of this cannot be calculated. All of this information is currently available through an open records request.

In response to a previous version, HB 2210 (LR 5764-01), officials from the **Columbia Public School** stated nearly everything the district would have to provide as a sunshine request would be publicly available on the website. The district might have to change a few things to be able to report easily at the level it would require. The fiscal impact is estimated at \$50,000 for one-time cost for staff time to build the reports and build the website. There are no measurable ongoing costs.

In response to a previous version, HB 2210 (LR 5764-01), officials from the **Office of the Secretary of State (SOS)** stated many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than \$2,500. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the office can sustain with the core budget. Therefore, the SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process.

In response to a previous version, HB 2210 (LR 5764-01), officials from the **Joint Committee on Administrative Rules** assumed this proposal is not anticipated to cause a fiscal impact beyond its current appropriation.

ASSUMPTION (continued)

Oversight notes that of the school districts that responded to Oversight, some showed costs greater than \$1,000 per district. Oversight notes there are currently 518 school districts. If just half the school districts need \$1,000 or more to comply with this proposal, costs would exceed \$259,000. Oversight will show a direct fiscal impact to the school districts of an unknown cost over \$200,000.

Officials at the following school districts: Arcadia Valley R-2, Avilla R-13, Belton, Benton County R-2, Bismark R-5, Bloomfield R-14, Blue Springs, Bolivar R-I, Bowling Green R-1, Branson, Brentwood, Bronaugh R-7, Campbell R-2, Carrollton R-7, Caruthersville, Central R-III, Chilhowee R-4, Chillicothe R-II, Clarkton C-4, Cole R-I, Concordia R-2, Crawford County R-1, Crocker R-II, Delta C-7, East Carter R-2, Eldon R-I, Everton R-III, Fair Play, Fayette R-3, Forsyth R-3, Fox C-6, Fredericktown R-I, Fulton, Grain Valley, Hancock Place, Hannibal, Harrisonburg R-8, Harrisonville, Hillsboro R-3, Hollister R-5, Humansville R-4, Hurley R-1, Independence, Jefferson City, Kansas City Public Schools, Kearney R-1, Kennett #39, King City R-1, Kingston 42, Kirbyville R-VI, Lee Summit, Leeton R-10, Lewis County C-1, Lincoln R-II, Lindbergh, Lonedell R-14, Malta Bend, Mehville, Meramec Valley R-3, Mexico, Middle Grove C-1, Midway R-1, Milan C-2, Moberly, Monroe City R-I, Morgan County R-2, New Haven, Nixa, North Kansas City, North St. Francois Co. R-1, Northeast Nodaway R-5, Odessa R-VII, Oregon-Howell R-III, Orrick R-11, Osborn R-0, Parkway, Pettis County R-12, Pierce City, Plato R-5, Princeton R-5, Raytown, Reeds Springs R-IV, Renick R-5, Republic R-III, Richards R-V, Richland R-1, Richmond R-XVI, Riverview Gardens, Salisbury R-4, Sarcoxie R-2, Scotland County R-I, Sedalia, Seymour R-2, Sikeston, Silex, Smithville R-2, Special School District of St. Louis County, Spickard R-II, Springfield, St Joseph, St Louis, St. Charles, St. Elizabeth R-4, Sullivan, Valley R-6, Verona R-7, Warren County R-3, Warrensburg R-6, Waynesville, Webster Groves, Wentzville, West Plains, Westview C-6 and the Wright City R-2 school districts did not respond to **Oversight's** request for fiscal impact.

FISCAL IMPACT - State Government

FY 2019
(10 Mo.)

FY 2020

FY 2021

\$0

\$0

\$0

FISCAL IMPACT - Local Government

FY 2019
 (10 Mo.)

FY 2020

FY 2021

SCHOOL DISTRICT FUNDS

<u>Cost</u> - staff time and software for data collection	(Unknown over <u>\$200,000</u>)	(Unknown over <u>\$200,000</u>)	(Unknown over <u>\$200,000</u>)
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ESTIMATED NET EFFECT ON SCHOOL DISTRICT FUNDS	(Unknown over <u>\$200,000</u>)	(Unknown over <u>\$200,000</u>)	(Unknown over <u>\$200,000</u>)
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FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

School districts must make specified financial information available online through a link on their web-sites.

The information posted shall include the following:

- The annual operating budget for the current and the two previous school years within in 15 days of adopting the budget;
- The annual audit report for the current and two previous school years;
- The current collective bargaining agreement for each bargaining unit;
- Links to health care benefit information;
- Salary and fringe benefit information for the district administrators and central office employees;
- Certified teacher salary schedule;
- Non-certified employee salary schedule;
- The annual secretary of the board report;
- The annual amount spent on lobbying or lobbying services;
- Information about district-maintained credit cards; and

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Elementary and Secondary Education
Bakersfield R-IV School District
Osage R-2 School District
Pattonville School District
Raymore-Peculiar School District
Shell Knob School District
Summersville R2 School District
Kirksville R-III School District
Macon County R-IV School District
Wellsville-Middletown R-1 School District
Columbia Public Schools
Office of the Secretary of State
Joint Committee on Administrative Rules

Ross Strobe

A handwritten signature in black ink, appearing to read "Ross Strobe", with a stylized, cursive script.

Acting Director
February 15, 2018