

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4237-01
Bill No.: Perfected HB 1427
Subject: Education, Elementary and Secondary; Public Records; Public Meetings
Type: Original
Date: April 6, 2016

Bill Summary: This proposal requires school districts to post certain financial information on the district's website for free public access.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 8 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Total Estimated Net Effect on FTE	0	0	0

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 2017	FY 2018	FY 2019
Local Government	(Unknown over \$200,000)	(Unknown over \$200,000)	(Unknown over \$200,000)

FISCAL ANALYSIS

ASSUMPTION

Oversight notes this proposal requires school districts to develop, maintain and make publicly available a searchable budget and detail of actual income and expenditures. The information must be accessible and searchable for ten years. The Department of Elementary and Secondary Education shall create a template that school districts may use for posting this information.

Officials at the **Department of Elementary and Secondary Education (DESE)** assume to create the template there would not be significant costs. Local school districts and charter schools will likely incur significant costs to comply with this proposal. DESE defers to the local school districts for the extent of those costs.

Officials at the **Lee's Summit School District** assume this would cost \$132,033 annually.

Officials at the **Chilhowee R-IV School District** assume the district would have to contract services to be able to create a site to "archive the financial data, which shall remain accessible and searchable, for a minimum of ten years," and be able to maintain such a site for regular updates. Exact figures are unknown, until quotes come in but is expected to be large.

Officials at the **Grain Valley School District** assume this proposal would have a significant time impact on our finance department to create the documents based on the definitions provided in the proposal. Additional time would be required to remove any personal information from the data. Our current financial software is not set up to quickly produce documents in a searchable format. Additional time would be required by staff in our technology department to post and store the information on our web site.

Officials at the **Sarcoxie R-II School District** assume it could cost as much as \$40,000 depending on how detailed the database may need to be. If every line item must be tracked then this would be a full-time position.

Officials at the **St. Charles School District** assume an unknown but significant financial impact. The systems do not currently exist to provide this data in the current year or to archive for ten years.

Officials at the **Bakersfield R-IV School District** assume this would require a minimum of \$10,855.70 to start plus recurring annual fees at \$5,875.20. A lot of man power would be required plus software to implement.

ASSUMPTION (continued)

Officials at the **Eldon School District** assume \$15,000 in costs. \$10,000 for new website/hosting to store the required information and \$2,500 for searchable software and \$2,500 for labor to maintain the system.

Officials at the **Everton School District** assume an impact of \$10,000 annually.

Officials at the **New Haven School District** estimate \$4,000 per year for software and personnel costs to post and archive the data.

Officials at the **Bowling Green R-I School District** assume this would require an additional employee at \$20,000 to \$30,000 annually.

Officials at the **Kingston 42 School District** assume an increase in personnel costs and website maintenance of \$200 a month.

Officials at the **Lonedell R-14** and the **Pettis County R-XII School Districts** each assume an impact of \$500 annually.

Officials at the **Salisbury R-IV School District** assume that if their existing accounting system would work with the prescribed template then it would be about \$500 annually.

Officials at the **Campbell R-II, Chillicothe R-II, Osborn R-O** and the **Warren County R-III School Districts** each assume it would not impose a significant financial burden; however, it would impose an extra burden on personnel to compile the information.

Officials at the **Fair Play School District** assume this information is already readily available in a different format. It would only cost time to provide on district's website.

Officials at the **Bloomfield, Bronaugh and Kirbyville School Districts** each assume this proposal would have a fiscal impact but the impact is unknown at this time.

Officials at the **Orrick School District** assume this impact would involve the cost of the software, personnel and time to maintain a searchable database.

Officials at the **Seymour R-II School District** assume initial set-up of \$250 and recurring quarterly payments of \$60.

ASSUMPTION (continued)

Officials at the **Macon R-IV School District** assume no fiscal impact just time of personnel.

Officials at the **Bismarck School District** assume a minimal negative impact.

Officials at the **Tipton R-VI** and **Milan C-2 School Districts** responded to Oversight request for fiscal impact but did not indicate a cost.

Officials at the **Brentwood, Cassville, East Newton, Fredericktown R-I, Hawthorne Leadership, Kansas City, Kearney, Lindbergh, Middle Grove C-1, Parkway, Shelby County R-IV, Shell Knob, West Plains** and the **Wright City School Districts** each assume there is no fiscal impact from this proposal to their respective districts.

Oversight assumes that DESE will be able to create the template using existing resources. Oversight will show a direct fiscal impact to the school districts of Unknown over \$200,000.

Officials at the following school districts: Arcadia Valley R-2, Avilla R-13, Belton, Benton County R-2, Blue Springs, Bolivar R-I, Branson, Carrollton R-7, Caruthersville, Central R-III, Clarkton C-4, Cole R-I, Columbia, Concordia R-2, Crawford County R-1, Crocker R-II, Delta C-7, East Carter R-2, Fair Grove, Fayette R-3, Forsyth R-3, Fox C-6, Fulton, Hancock Place, Hannibal, Harrisonburg R-8, Harrisonville, Hillsboro R-3, Hollister R-5, Humansville R-4, Hurley R-1, Independence, Jefferson City, Kennett #39, King City R-1, Kirksville, Laclede County R-1, Leeton R-10, Lewis County C-1, Macon County R-1, Malta Bend, Mehville, Mexico, Midway R-1, Moberly, Monroe City R-I, Morgan County R-2, North St. Francois Co. R-1, Northeast Nodaway R-5, Odessa R-VII, Oregon-Howell R-III, Osage County R-II, Pattonville, Pierce City, Plato R-5, Princeton R-5, Raymore-Peculiar R-III, Raytown, Reeds Springs R-IV, Renick R-5, Richland R-1, Riverview Gardens, Scotland County R-I, Sedalia, Sikeston, Silex, Slater, Smithville R-2, Special School District of St. Louis County, Spickard R-II, Springfield, St Joseph, St Louis, St. Elizabeth R-4, Sullivan, Valley R-6, Verona R-7, Warrensburg R-6, Webster Groves and the Westview C-6 School District did not respond to **Oversight's** request for fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2017 (10 Mo.)	FY 2018	FY 2019
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2017 (10 Mo.)	FY 2018	FY 2019
SCHOOL DISTRICT FUNDS			
<u>Costs</u> - School Districts - development and maintenance of required database	(Unknown over <u>\$200,000</u>)	(Unknown over <u>\$200,000</u>)	(Unknown over <u>\$200,000</u>)
ESTIMATED NET EFFECT ON SCHOOL DISTRICTS	(Unknown over <u>\$200,000</u>)	(Unknown over <u>\$200,000</u>)	(Unknown over <u>\$200,000</u>)

FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

This bill requires every school district and charter school to maintain an accountability portal for the public. By September 1, 2017 each public school district and charter school must develop, maintain, and make available all publicly available budget, income, expenditure, and disbursement information for the current fiscal year. The data on the portal must be updated quarterly and remain available for at least 10 years.

Additionally, the bill requires, by January 1, 2017, that the Department of Elementary and Secondary Education must create a template for voluntary use by any school district needing assistance in developing an accountability portal. In the event that a school district or charter school does not maintain a website, the information must be maintained through DESE.

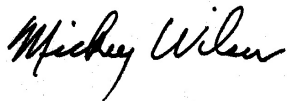
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Bakersfield R-IV School District
Bismarck R-V School District
Bloomfield R-14 School District
Bowling Green R-I School District
Brentwood School District
Bronaugh School District
Campbell R-II School District
Cassville School District
Chilhowee R-IV School District
Chillicothe School District
Department of Elementary and Secondary Education
East Newton School District
Eldon School District
Everton R-III School District
Fair Play School District
Fredericktown R-I School District
Grain Valley School District
Hawthorne Leadership School
Kansas City Public Schools
Kearney School District
Kingston 42 School District
Kirbyville R-VI School District
Lee's Summit School District
Lindbergh Schools
Lonedell R-14 School District
Macon County R-IV School District
Middle Grove C-1 School District
Milan C-2 School District
New Haven School District
Orrick School District
Osborn R-O School District
Parkway School District
Pettis County R-XII School District
Salisbury R-IV School District
Sarcoxie R-II School District
Seymour School District
Shelby County R-IV Schools
Shell Knob School District

SOURCES OF INFORMATION (continued)

St. Charles School District
Tipton R-VI School District
Warren County R-III School District
West Plains School District
Wright City School District



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