

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4108-01
Bill No.: HB 1370
Subject: Elementary and Secondary Education; Public Records, Public Meetings
Type: Original
Date: December 20, 2017

Bill Summary: This proposal requires public schools to post certain financial information online for public access.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
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 6 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	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 2019	FY 2020	FY 2021
Local Government	(Unknown over \$200,000)	(Unknown over \$200,000)	(Unknown over \$200,000)

FISCAL ANALYSIS

ASSUMPTION

Officials at the **Department of Elementary and Secondary Education (DESE)** assume they do not anticipate significant costs to create the template. Local school districts and charter schools will likely incur significant costs to comply with this proposal. We defer to them regarding the extent of any costs.

Officials at the **Shell Knob #78 School District** assume a costly burden on the district in order to keep records up to date.

Officials from the **Pettis County R-12 School District** assume a fiscal impact of \$2,000 to \$5,000 per year for creating and maintaining a database.

Officials from the **KIPP St. Louis** public charter school estimate the cost to be approximately \$7,000 for a server and enhanced security and \$25,000 for a part time staff and technology persons to keep it up to date.

Officials from the **Montgomery County R-II School District** already post online the yearly budget, yearly audits, broad agendas and minutes. It would not take much to post the monthly bill lists after approval by the Board of Education.

Officials from the **Summersville R-2 School District** assume there is no fiscal burden created from this requirement. If information has to be gathered, interpreted or cross referenced, then there would be time and salary costs. Putting the information online should be a minimal cost overall.

Officials from the **West Plains School District, Northeast Nodaway R-5 School District, and Carondelet Leadership Academy** assume the proposal will have no fiscal impact on their organization.

Officials from the **Kirksville R-III School District** assume little fiscal impact.

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.

ASSUMPTION (continued)

Oversight assumes that DESE will be able to create the template using existing resources.

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 the \$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 Unknown over \$200,000.

Officials at the following school districts: Arcadia Valley R-2, Avilla R-13, Bakersfield, 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, Columbia, 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, Macon County R-1, 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, Odessa R-VII, Oregon-Howell R-III, Orrick R-11, Osborn R-0, Parkway, Pattonville, Pierce City, Plato R-5, Princeton R-5, Raymore-Peculiar R-III, 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, 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

<u>FISCAL IMPACT - Local Government</u>	FY 2019 (10 Mo.)	FY 2020	FY 2021
SCHOOL DISTRICT FUNDS			
<u>Costs - School Districts - development and maintenance of required database</u>	(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, 2019 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, 2019, that the Department of Elementary and Secondary Education (DESE) 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

Carondelet Leadership Academy
 Department of Elementary and Secondary Education
 KIPP St. Louis
 Kirksville R-III School District
 Montgomery County R-II School District
 Northeast Nodaway R-5 School District

SOURCES OF INFORMATION (continued)

Pettis County R-12 School District
Shell Knob #78 School District
Summersville R-2 School District
West Plains School District

Mickey Wilson, CPA

Director
December 20, 2017

Ross Strobe

A handwritten signature in black ink, appearing to read "Ross Strobe", with a stylized flourish at the end.

Assistant Director
December 20, 2017