

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 5485-01  
Bill No.: HB 2332  
Subject: Elementary and Secondary Education; Newspapers and Publications; Contracts and Contractors  
Type: Original  
Date: March 8, 2018

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Bill Summary: This proposal modifies provisions relating to bidding on construction projects authorized by school districts.

**FISCAL SUMMARY**

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

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

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 4 pages.

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

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
<b>FUND AFFECTED</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

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

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>
<b>Local Government</b>	<b>\$0 to Unknown</b>	<b>\$0 to Unknown</b>	<b>\$0 to Unknown</b>

**FISCAL ANALYSIS**

**ASSUMPTION**

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

Officials from the **Kirksville R-III School District** assume this proposal would have a limited negative fiscal impact on the district.

Officials from the **Shell Knob #78 School District** assume this proposal is costly to small districts.

Officials from the **Wellsville-Middletown R-1 School District** and **Summersville R2 School District** assume the proposal will have no fiscal impact on their districts.

**Oversight** notes this proposal exempts school district with an average daily attendance of more than four thousand from the requirements of section 177.086 for the construction of facilities that are not expected to exceed \$50,000. Oversight assumes there could be a savings to school districts that are no longer required to advertise in the newspaper for certain projects. Oversight will show a fiscal impact of \$0 (no qualifying projects) to an unknown savings.

<b><u>FISCAL IMPACT - State Government</u></b>	FY 2019 (10 Mo.)	FY 2020	FY 2021
	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

<b><u>FISCAL IMPACT - Local Government</u></b>	FY 2019 (10 Mo.)	FY 2020	FY 2021
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**LOCAL SCHOOL DISTRICTS**

<b><u>Savings - due to exemption from advertising</u></b>	<b><u>\$0 to Unknown</u></b>	<b><u>\$0 to Unknown</u></b>	<b><u>\$0 to Unknown</u></b>
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<b>ESTIMATED NET EFFECT ON LOCAL SCHOOL DISTRICTS</b>	<b><u>\$0 to Unknown</u></b>	<b><u>\$0 to Unknown</u></b>	<b><u>\$0 to Unknown</u></b>
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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

Currently, any school district authorizing the construction of facilities that may cost more than \$15,000 must advertise in a newspaper and comply with certain bidding requirements. This bill exempts a school district with an average daily attendance of more than 4,000 if the construction of facilities is not expected to cost more than \$50,000.

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  
Kirksville R-III School District  
Shell Knob #78 School District  
Wellsville-Middletown R-1 School District  
Summersville R2 School District

Ross Strobe



Acting Director  
March 8, 2018