

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5485-02
Bill No.: HCS for HB 2332
Subject: Elementary and Secondary Education; Newspapers and Publications; Contracts and Contractors
Type: Original
Date: April 6, 2018

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

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 4 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	\$0 to Unknown	\$0 to Unknown	\$0 to Unknown

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.

In response to a previous version, HB 2332 (LR 5485-01), officials from the **Kirksville R-III School District** assumed this proposal would have a limited negative fiscal impact on the district.

In response to a previous version, HB 2332 (LR 5485-01), officials from the **Wellsville-Middletown R-1 School District** and **Summersville R2 School District** assumed the proposal would have no fiscal impact on their districts.

Oversight notes this proposal raises the amount for which school districts are required to advertise in a newspaper for the construction of facilities from more than \$15,000 to more than \$50,000. Oversight assumes there could be a limited 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.

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

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

<u>Savings</u> - on projects which no longer require a newspaper advertisement	<u>\$0 to Unknown</u>	<u>\$0 to Unknown</u>	<u>\$0 to Unknown</u>
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ESTIMATED NET EFFECT ON LOCAL SCHOOL DISTRICTS	<u>\$0 to Unknown</u>	<u>\$0 to Unknown</u>	<u>\$0 to Unknown</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

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 raises threshold for the construction of facilities to projects that 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 Strope



Acting Director
April 6, 2018