

March 9, 2017

The Honorable Larry Campbell, Chairperson
House Committee on K-12 Education Budget
Statehouse, Room 286-N
Topeka, Kansas 66612

Dear Representative Campbell:

SUBJECT: Fiscal Note for HB 2379 by House Committee on Appropriations

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2379 is respectfully submitted to your committee.

HB 2379 would require additional reporting system requirements by school districts to the Department of Education. The bill would require school districts to report transaction-level information for all expenditures, including the school district number, fund number, full four-digit function code, full three-digit object code, full four-digit building code, transaction date, transaction amount and a brief description of each transaction.

The Department of Education indicates that enactment of HB 2379 would require additional State General Fund expenditures totaling \$340,000 in FY 2019, including 4.00 FTE positions to develop, test and implement additional computer systems required to collect the additional data required by the bill. Of the total estimate, \$280,000 would be for salaries and wages (including fringe benefits) for the 4.00 FTE positions, as well as a one-time expenditure of \$60,000 for a computer server for the additional data collected. For FY 2019, expenditures totaling approximately \$280,000, all from the State General Fund, would be required for the 4.00 FTE positions, and would be an ongoing expense each year.

The Department notes that significant expenditures would be required by school districts to adjust their information systems to comply with provisions of the bill. The Department notes that USD 259—Wichita would have approximately 3.0 million transactions to report at the building level, along with a brief description of each transaction. Statewide, the Department estimates that approximately 28.6 million transactions per year would have to be reported to the state. The Department also notes that USD 259—Wichita would require a minimum of \$500,000 in expenditures to reconfigure its information systems with the requirements of the bill.

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Statewide, the Department estimates that it would cost school districts approximately \$5,000,000 to make adjustments to information systems to comply with the bill. Any fiscal effect associated with HB 2379 is not reflected in *The FY 2018 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "Shawn Sullivan", with a horizontal line extending to the right.

Shawn Sullivan,
Director of the Budget

cc: Dale Dennis, Education