

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 3440-01  
Bill No.: HB 1335  
Subject: Requires a biennial audit of the St. Louis City School District.  
Type: Original  
Date: January 28, 2002

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON STATE FUNDS</b>			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
General Revenue	\$0	(\$144,110)	\$0
<b>Total Estimated Net Effect on <u>All</u> State Funds*</b>	<b>\$0</b>	<b>(\$144,110)</b>	<b>\$0</b>

**\*Does not include possible income from providing audit reports at cost.**

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
<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 LOCAL FUNDS</b>			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
<b>Local Government</b>	<b>\$0</b>	<b>(Unknown)</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.

This fiscal note contains 4 pages.

**FISCAL ANALYSIS**

**ASSUMPTION**

Officials from the **Department of Elementary and Secondary Education (DES)** assume the proposed legislation will not fiscally impact their organization. However, with respect to local fiscal impact, the DES officials stated it is unclear how much overlapping or duplicating of audit work might be involved or how this might impact the audit costs of the St. Louis City School.

Officials from the **State Auditor (SAU)** stated they would request a Senior Auditor II and a Senior Auditor I to allow the office to carry out its duties under this proposal in addition to current duties. Estimated costs for the FTE and equipment and supplies would be \$17,559 in FY 03, \$150,902 in FY 04, and \$145,264 in FY 05.

**Oversight** assumes staff duties are limited to every other year, as audits of the St. Louis School District would be required on a biennial basis. Therefore, additional costs would be incurred in FY 04 and every other fiscal year thereafter. (Oversight has added costs for obtaining equipment to FY 04 costs.)

Officials from the **St. Louis City School District** did not respond to our request for a statement of fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
<b>GENERAL REVENUE FUND</b>			
<u>Income</u> - Audit Reports	\$0	Unknown	\$0
<u>Costs - State Auditor's Office</u>			
Personal Service costs (2 FTE)	\$0	(\$92,455)	\$0
Fringe Benefits	\$0	(\$33,293)	\$0
Expense and Equipment	<u>\$0</u>	<u>(\$18,362)</u>	<u>\$0</u>
Total <u>Costs</u> - State Auditor's Office	<u>\$0</u>	<u>(\$144,110)</u>	<u>\$0</u>
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND*</b>	<b><u>\$0</u></b>	<b><u>(\$144,110)</u></b>	<b><u>\$0</u></b>

\* Does not include possible income from providing audit reports at cost.

<u>FISCAL IMPACT - Local Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
<u>St. Louis City School District</u>			
Audit costs	<u>\$0</u>	<u>(Unknown)</u>	<u>\$0</u>
<b>ESTIMATED NET EFFECT ON THE ST. LOUIS CITY SCHOOL DISTRICT</b>	<b><u>\$0</u></b>	<b><u>(Unknown)</u></b>	<b><u>\$0</u></b>

FISCAL IMPACT - Small Business

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

DESCRIPTION

This bill requires the State Auditor to perform a biennial audit on the St. Louis public school district beginning July 1, 2003. In addition to the information required of audits under Chapter 29, RSMo, the audit must include inventories of personal and real property, lists of income sources, expenditures, contracts with private entities for the past two fiscal years, and other information that the Auditor deems beneficial public knowledge. The Auditor is given authority to access the information, and the district and its personnel are required to assist and cooperate fully. The report will be made available at cost.

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  
State Auditor's Office

**NOT RESPONDING: City of St. Louis School District**



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