

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3962-01
Bill No.: HB 1828
Subject: Contracts and Contractors: Education, Elementary and Secondary
Type: Original
Date: March 7, 2002

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Total Estimated Net Effect on <u>All</u> State Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
School Districts	UNKNOWN	UNKNOWN	UNKNOWN

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 3 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Elementary and Secondary Education** stated that this proposal would have no fiscal impact on their agency. However, the proposal would give local school districts greater purchasing flexibility and would save advertising, purchasing, consulting and construction costs. Although the amount of savings cannot be determined it could be significant.

Officials from the **Kansas City Missouri School District** indicated there could be cost savings as a result of this proposal, but did not provide a dollar amount estimate.

In response to similar legislation (HB 1034) from this session, the following school districts responded:

Officials from the **Columbia Public Schools** stated that their current Board of Education policy requires bidding for non-instructional items of \$5,000 or more.

Officials from the **Lee's Summit R-7 School District** anticipate no additional costs as a result of this proposal, but did not indicate any cost savings associated with the proposed legislation.

Officials from the **Springfield Public Schools** indicated no fiscal response to their district as a result of this proposal.

Officials from the **Kirksville R-III School District** stated that since emergency repairs need to be completed quickly, this legislation would be of benefit to the district by being allowed to proceed without the constraints of the current requirements.

<u>FISCAL IMPACT - State Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
SCHOOL DISTRICTS			
<u>Savings - Advertising Expense</u>	<u>UNKNOWN</u>	<u>UNKNOWN</u>	<u>UNKNOWN</u>

FISCAL IMPACT - Small Business

This proposal could have a positive fiscal impact on those businesses contracting with local school districts for purchase of goods or services, retention of outside consultants, and construction projects. Businesses dealing with advertising could experience a negative fiscal impact due to reduced advertising requirements.

DESCRIPTION

Current law requires school districts to publish advertisements for bids on construction projects of more than \$12,500 for two successive weeks in a local general circulation newspaper. This proposed legislation raises that threshold to \$25,000; adds purchases of goods and services, including those of consultants; and changes the advertising requirements to two days in business or trade newspapers, in addition to the newspaper of general circulation already in law. The bill also permits a minimal notice to be placed in the paper when a full notice is posted at the district office and, if applicable, on the Internet.

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
Columbia Public Schools
Lee's Summit R-7 School District
Kirksville R-III School District
Springfield Public Schools
Kansas City Missouri School District

NOT RESPONDING

St Louis Public Schools
Nixa R-II School District



Mickey Wilson, CPA
Acting Director
March 7, 2002