

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3376-01
Bill No.: SB 804
Subject: Auditor, State; Education, Elementary and Secondary
Type: Original
Date: January 15, 2008

Bill Summary: Allows the State Auditor to audit any school district in the same manner as any agency of the State.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
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 2009	FY 2010	FY 2011
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Total Estimated Net Effect on FTE	0	0	0

Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Elementary and Secondary Education** assume no fiscal impact to their agency.

Officials from the **Attorney General's Office (AGO)** assume that any costs associated with this proposal may be absorbed with existing resources. From time to time, the Auditor's office will consult with the AGO about certain legal questions related to an audit such as the Missouri Sunshine Law.

Officials from the **State Auditor's Office (SAO)** assume this proposal provides the SAO with the ability to conduct audits of school districts without a petition or request from the governor. The SAO assumes this proposal could have a significant impact on the workload of the SAO. With 524 public school districts in Missouri, it is highly likely that numerous audits will be required of the SAO as a result of this provision. For purposes of this response, it is estimated that 10-20 additional audits will be conducted each year as a result of this language. The number of actual audits required as a result of this provision is unknown and could easily exceed our estimate. However, estimated net FTE change for General Revenue will be needed to meet the additional workload needs brought on this proposal. At a minimum, an audit team consisting of 4 Staff Auditors, 1 In-Charge Auditor and 1 Audit Manager is necessary. The initial cost would be \$217,570 salaries, \$96,209 fringe benefits and \$36,342 equipment and expense. Total cost \$350,121.

Oversight assumes this would be accomplished during the normal budgetary process. Therefore, Oversight assumes the initial administrative impact of this proposal is \$0.

<u>FISCAL IMPACT - State Government</u>	FY 2009 (10 Mo.)	FY 2010	FY 2011
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2009 (10 Mo.)	FY 2010	FY 2011
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

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

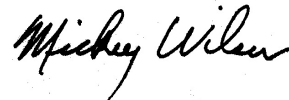
FISCAL DESCRIPTION

The proposal allows the State Auditor to audit any school district in the same manner as any agency of the State.

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

State Auditor's Office
Department of Elementary and Secondary Education
Attorney General's Office



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Director
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