

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

April 27, 2007

TO: Honorable Rob Eissler, Chair, House Committee on Public Education

FROM: John S. O'Brien, Director, Legislative Budget Board

IN RE: HB2560 by Zedler (relating to the availability of certain school district financial information on districts' Internet websites.), **Committee Report 1st House, Substituted**

No fiscal implication to the State is anticipated.

Local Government Impact

The bill would require school districts to maintain an electronic form of the school district's checking account transactions that is annotated with specific information, posted prominently on the school district's website, and updated on a monthly basis. The bill would prohibit certain information from being included in the electronic transactions file, including checks issued to employees for salary, wages, stipends, or certain benefits. School districts would be required to transfer the data to any interested person who requested the information.

The bill would also require the posting of credit card statements and the listing of aggregated salary and staff information. School districts would be required to transfer the data to any interested person who requested the information.

Some school districts currently publish check registers on district websites as a means of providing financial transparency. In addition, school districts that do not meet the financial accountability indicator requiring a 65% instructional expenditure ratio can opt to publish the check register on the district website as a means of obtaining alternative credit for this indicator. The bill would require the posting of information that is not customarily a part of the electronic registers currently posted by districts.

The Texas Education Agency anticipates that school districts will experience increased administrative and operating costs to prepare an electronic register that meets the specific requirements of the bill. The bill provides for a phase-in of some of the requirements, so it is anticipated that increased costs would be realized over time. The Agency also indicated that districts will incur additional operating and administrative expenses related to the posting of credit card statements, including the redaction of credit card numbers prior to posting on the Internet. Districts would further be anticipated to incur some costs related to the publication of employee salaries in the prescribed format. The Agency assumes that administrative costs to meet all of the requirements in the bill would vary by district, but could be significant.

Source Agencies: 701 Central Education Agency

LBB Staff: JOB, UP, JSp