

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

May 18, 2007

TO: Honorable Florence Shapiro, Chair, Senate Committee on 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 2nd House, Substituted**

No fiscal implication to the State is anticipated.

Local Government Impact

The bill would require school districts with enrollment of at least 500 students 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 school districts with 500 or more students to post credit card transaction information, obligated and unobligated fund balance information, and a listing of aggregated salary and staff information. Affected school districts also would be required to transfer these data to any interested person requesting 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 Texas Education Agency anticipates that affected school districts will experience increased administrative and operating costs to prepare and maintain the information to be posted and updated under the provisions of the bill. 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, JSp, UP