

BILL SUMMARY
2nd Session of the 53rd Legislature

Bill No.:	HB 2644
Version:	SUBREC
Request Number:	9526
Author:	Representative Brumbaugh
Date:	2/24/2012
Impact:	FY-13: \$53,600 to the State; Potential Impact to School Districts

Research Analysis

The subcommittee recommendation for House Bill 2644 requires the Office of State Finance to withhold administrative and support funds from the State Department of Education if the department does not put on its website data required by the School District Transparency Act. The withholding will be 1 percent of total appropriations for administrative and support functions for the first month of noncompliance, 2 percent for the second month, 3 percent for the third month 4 percent for the fourth month, 5 percent for the fifth month and 8 percent for each subsequent month.

The measure also increases the penalty for districts continually not adhering to the Oklahoma Cost Accounting System. The penalty will not change until after the fifth month the district does not adhere but after that the State Department of Education will decrease school districts' state aid payment by 8 percent for each month districts are not in compliance.

The measure also requires that by December 1 and before distributing state aid, the State Department of Education verify that each school district has complied with the School District Transparency Act.

Prepared By: Dawn Marks

Fiscal Analysis

The State Department of Education anticipates that certifying school district compliance, per the provisions of the measure, will require additional staff time and resources, and will thus require additional staff in the financial accounting division. The estimated cost, including salary and benefits, totals \$53,600.

The agency also believes that school districts do not currently have the infrastructure needed to comply fully with the Acts, and would have to upgrade their financial systems in order to capture the additional data required. However, the agency cannot quantify the impact on the districts without surveying all to estimate materials costs.

Prepared By: Nicole Barnes

Other Considerations

Withholding of appropriations to the agency could potentially cause cash-flow concerns.

