



## HOUSE COMMITTEE ON APPROPRIATIONS

# FISCAL NOTE

HOUSE BILL NO. 1411

PRINTERS NO. 2824 PRIME SPONSOR: Christiana

### COST / (SAVINGS)

FUND	FY 2013/14	FY 2014/15
General Fund	See "Fiscal Impact" below.	

**SUMMARY:** House Bill 1411 is free standing legislation that creates the Public School Web Accountability and Transparency (School WATCH) Act. It would take effect immediately.

**ANALYSIS:** This legislation seeks to improve access to school financial data in the Commonwealth using the internet. It requires the Pennsylvania Department of Education (PDE) to post on its internet website the annual financial statements and final adopted budgets of school districts, charter schools, regional charter schools, cyber charter schools, and area vocational-technical schools.

The Department must also convene an advisory committee to develop a plan for both the establishment of a searchable internet database and an expenditure and performance measure. The internet database will allow members of the public to search the receipts, expenditures, and other financial data elements of public school entities. The expenditure and performance measure will be an annual measure comparing a public school entity's instructional expenditures to the entity's academic performance. The committee will consist of representatives from each category of public school entity as well as the chairs of the House and Senate Education Committees, and two members selected by the Secretary of Education from among the citizens of this Commonwealth. The minimum contents of the database and other elements the advisory committee may consider for inclusion in the database and the performance measure are enumerated in the bill.

No public school entity will be required to provide any additional information not specifically required or permitted by the underlying legislation, and no public school entity shall be required to provide additional information beyond the information required to be provided by any other public school entity.

Once the advisory committee has completed its work, the PDE is required to establish and maintain the searchable internet database on its publicly accessible website. The internet database must be completed within two years of the effective date of this legislation, with the option to extend this deadline to a third year at PDE's request. The performance measure must be completed within four years of the effective date of this act.

A public school entity that fails to comply with the provisions of this act would be subject to penalties, including the withholding of school entity funds in escrow until the entity complies. The legislation provides for an appeals process as well.

**FISCAL IMPACT:** Enactment of this legislation could have a fiscal impact on the Commonwealth, but it is not possible to estimate the extent of that impact at this time. The legislation requires the searchable internet database and performance measure be developed by the PDE in consultation with the advisory committee established in the bill, a process that will take place over a four-year period beginning with the effective date of the bill. Numerous decisions will be made during this process that will have a direct impact on the cost of database and performance measure development and maintenance. Development costs could range from an amount small enough to be handled within the Department's budget to as high as \$2 million according to the PDE, with continuing annual maintenance costs as well.

The legislation states that the searchable public internet database shall impose no additional cost on public school entities.

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House Appropriations Committee (R)

**DATE:** December 17, 2013

*Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.*