

SOUTH DAKOTA LEGISLATIVE RESEARCH COUNCIL

FISCAL NOTE, 2018 LEGISLATIVE SESSION

FISCAL NOTE 2018-SB100A

SB 100 establish certain provisions related to grant monitoring and review and to revise certain record retention policies.

Section 1 of the bill requires Legislative Audit or the private auditing firm to provide a copy of the audit report to the designated school board member, who then provides a copy to each school board member. There would be no additional expense associated with Section 1 as Legislative Audit currently provides a copy of the audit report.

Section 2 of the bill requires counties, cities, and school districts to post the audit report on the entity's website. Of the 66 counties, 35 have websites. There are 310 cities, 147 of which have websites. There are 149 school districts, 143 of which have websites. Therefore, 35 counties, 147 cities, and 143 school districts would be affected by Section 2 of the bill. The yearly estimated average time to post the audit report to an entity's website is 0.5 hours and would have an opportunity cost to the counties, cities, and school districts affected. Opportunity cost is the value in performing one task instead of another and has no actual cost increase.

Section 3 of the bill would require the posting on open.sd.gov of any sub-recipient evaluation report or program evaluation report completed by a state agency for a federal grant where a state agency serves as a pass-through entity to a nonstate agency. Each agency would be responsible for updating their content on the website and the Bureau of Finance & Management (BFM) would need to add menus and pages for the additional content. There would only be an opportunity cost to each agency and BFM to complete the requirements in Section 3 of the bill.

Section 5 of the bill requires any person holding a statewide office or head of an agency to sign a form acknowledging the review of the state conflict of interest policy and disclosing any conflicts. The Bureau of Human Resources would need to build a form, which is estimated to take 2-3 hours and would have an opportunity cost for the bureau.

Section 6 and 7 of the bill requires contracts for supplies, services, or professional services of \$10,000 or more, as well as grants, pass-through grants, or other awarded grants by a state agency to a nonstate agency to be displayed on open.sd.gov for two years instead of one year. BIT would need to allocate existing storage space on the State's cloud for the additional space requirements. Therefore, there will be no additional expense to the State to maintain the electronic records for one additional year.

Section 8 of the bill requires state agencies to maintain original invoices and vouchers for seven years. Currently these records are retained for four years (one year in office, three years in storage). The bill will increase storage from three years to six years. There are about 3,000 boxes currently in storage containing original invoices and vouchers. Based on the current retention policy it is estimated there are 1,000 boxes per year. The cost to the State is estimated to be \$12,000 in year three. The table below provides a breakdown of the additional cost per year to implement section 8 of the bill.

Estimated Cost to Retain Invoices & Vouchers

	Additional Boxes in Storage	Cost / Box per year	Additional Cost
Year 1	1,000	\$ 4.00	\$ 4,000
Year 2	2,000	\$ 4.00	\$ 8,000
Year 3	3,000	\$ 4.00	\$ 12,000

Approved: /s/ Jason Hancock

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