

BILL SUMMARY

1st Session of the 57th Legislature

Bill No.:	SB 617
Version:	Engrossed
Request Number:	
Author:	Rep. Hilbert/ Sen. Stanislawski
Date:	4/10/2019
Impact:	SDE Cost Increase: \$9,740
	CareerTech Cost Increase: \$71,051
	Other Agencies: potential rate increases

Research Analysis

SB 617 exempts the Oklahoma State Department of Education and the Oklahoma Department of Career and Technology Education from certain information systems consolidation requirements.

Prepared By: Sean Webster

Fiscal Analysis

SB 617 in its current form allows the State Department of Education (SDE) and the Department of Career and Technology Education (CareerTech) to opt out of certain aspects of the Oklahoma Information Services Act. Based on information provided by the Information Services Division of the Office of Management and Enterprise Services (OMES-ISD) the anticipated fiscal impact of SB 617 on each agency is as follows:

SDE:

OMES-ISD estimates SDE will need to hire 1 FTE (Workstation Support Specialist) at an estimated annual cost of \$78,860. OMES-ISD estimates SDE will have savings of approximately \$69,120 as a result of the measure, mostly related to avoidance of OMES-ISD overhead included in the current ISD rate structure. In total, SB 617 is estimated to result in annual increased costs to SDE of approximately \$9,740, ($\$78,860 - \$69,120 = \$9,740$).

CareerTech:

OMES-ISD estimates CareerTech will need to hire 2 FTE (Workstation Support Specialists) at an estimated annual cost of \$140,171. OMES-ISD estimates CareerTech will have savings of approximately \$69,120 as a result of the measure, mostly related to avoidance of OMES-ISD overhead included in the current ISD rate structure. In total, SB 617 is estimated to result in annual increased costs to CareerTech of approximately \$71,051, ($\$140,171 - \$69,120 = \$71,051$).

Other Agencies:

The savings realized by SDE and CareerTech will potentially be shifted as increased costs to the agencies remaining under ISD consolidation. Decreasing the number of ISD consolidated agencies will reduce economies of scale and mean that ISD's relatively fixed overhead costs will need to be allocated across fewer agencies, potentially leading to a need to increase agency ISD rates.

Prepared By: John McPhetridge

Other Considerations

None.

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