

## HOUSE BILL No. 2904

By Representative Beggs

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AN ACT concerning school districts; relating to the financial data thereof; concerning annual audits; amending K.S.A. 75-1122 and repealing the existing section.

*Be it enacted by the Legislature of the State of Kansas:*

New Section 1. (a) Commencing on July 1, 2002, each school district shall annually collect statistics and financial data in such a manner as to be able to report the following:

(1) (A) Income and the source of such income, including, but not limited to, local option budget funds, title I funds, title II funds, transportation fund, vocational education fund, bilingual education fund, special education fund, food service fund, driver training fund, adult education fund, adult supplementary education fund, area vocational school fund, inservice education fund, parent education program fund, summer program fund, extraordinary school program fund, educational excellence grant program fund, capital outlay funds, activity funds, supplemental general funds, investment income, all moneys credited to existing funds including any outstanding encumbrances, fee funds, ad valorem tax funds, private funds and any federal, state or local funds; and

(B) Moneys used in such funds shall only be used for the purposes for which such fund is established. Funds shall not be used for other purposes without specific school board approval.

(2) if income from a fund is divided by accounts, the accounts and amounts therein;

(3) expenditures for:

(A) Teachers' salaries, based on job titles, including but not limited to, classroom teachers, special education teachers, title I teachers, reading teachers, vocational education teachers, limited English proficient pupil teachers, paraprofessional teachers divided further into title I and special education paraprofessionals, at-risk teachers and reserved officers' training corps teachers and any substitutes for any such teachers. This category shall also include the number of individuals in each job title;

(B) maintenance and repair;

(C) operations;

(D) fiscal services;

1 (E) utilities, itemized by each individual service including, but not  
2 limited to, telephone, electricity, gas/oil, water, sewer and refuse;

3 (F) supplies and equipment itemized by the following categories, in-  
4 cluding, but not limited to, special education, vocational education, lim-  
5 ited English proficient pupils, reserve officers' training corps, at-risk, title  
6 I, counselors, media, health, computer software, textbooks, supplemental  
7 textbooks, athletic department, custodial department and administration;

8 (G) support services, non-instructional, including, but not limited to,  
9 counselors, media specialists, nurses, curriculum coordinators, athletic  
10 coordinators, clerical staff, custodial staff, security staff and any other  
11 classified staff and any substitutes for any such staff. This category shall  
12 also include the number of individuals in each job title;

13 (H) employee benefits, itemized by each type, including, but not lim-  
14 ited to, social security, retirement, health insurance, life insurance, un-  
15 employment insurance and workers compensation insurance;

16 (I) security;

17 (J) student extracurricular activities;

18 (K) direct instruction costs in each classroom and each individual  
19 school;

20 (L) direct instruction costs based on courses;

21 (M) school district level administration salaries, including, but not  
22 limited to, superintendents, principals, associate principals, assistant prin-  
23 cipals, and related administrative costs, including, but not limited to, sup-  
24 port staff for the administration;

25 (N) food service;

26 (O) summer school;

27 (P) staff development, based on job title, including, but not limited  
28 to, professional staff, support staff, title I staff, and certified staff;

29 (Q) number of buildings and square footage of such buildings and  
30 the square footage of the property owned or leased by the school district;

31 (R) overtime payments, extra duty payments and addendum pay-  
32 ments, total amount paid as well as amounts spent on job titles;

33 (S) travel, based on in-district, out of district and out of state mileage  
34 and other expenses; and

35 (T) any other appropriate category designated by the state board of  
36 education;

37 (4) number of employees assigned to each individual school or ad-  
38 ministration building and based on job title; and

39 (5) number of students, based on grade and individual school, in-  
40 cluding, but not limited to, the number of special education students and  
41 divided further into self-contained, resource and gifted; the number of  
42 limited English proficient pupils.

43 (b) The information collected in subsection (a) shall be:

1 (1) Reported by each individual school or administration building, as  
2 well as for the school district;

3 (2) reported in a standard form. Such form shall include, but not be  
4 limited to, at a minimum three columns, for the current school year,  
5 preceding school year and the increase or decrease between the two  
6 years; and

7 (3) available to the general public.

8 (c) The terms used herein shall have the meanings ascribed by article  
9 64 of chapter 72 of the Kansas Statutes Annotated, and amendments  
10 thereto.

11 New Sec. 2. (a) Principals, program directors and administrators  
12 shall be familiar with the school district budget and process for creating  
13 the budget.

14 (b) Annually, on or before May 1, the principal of each individual  
15 school shall submit a proposed budget for the next fiscal year for such  
16 school to the district superintendent.

17 (c) Annually, on or before June 1, the superintendent of each school  
18 district shall submit a proposed budget for the next fiscal year for such  
19 district to the district board of education.

20 (d) Annually, on or before July 1, the district board of education shall  
21 approve the budget for the next fiscal year for such school district.

22 Sec. 3. K.S.A. 75-1122 is hereby amended to read as follows: 75-  
23 1122. (a) The governing body of every unified school district, the govern-  
24 ing body of every recreation commission having aggregate annual gross  
25 receipts in excess of \$150,000 and the governing body of all other mu-  
26 nicipalities either having aggregate annual gross receipts in excess of  
27 \$275,000 or which has general obligation or revenue bonds outstanding  
28 in excess of \$275,000 shall have its accounts examined and audited by a  
29 licensed municipal public accountant or accountants or certified public  
30 accountant or accountants at least once each year. In the case of school  
31 districts, all tax and other funds such as activity funds and accounts shall  
32 also be examined and audited. *Such school district audit shall include*  
33 *tests for compliance with applicable restrictions, including, but not limited*  
34 *to, restrictions established by state or federal law or rules and regulations*  
35 *or contractual agreements.*

36 (b) Any municipality required to have an annual audit for the first  
37 time under this section shall be exempt from the requirement if the mu-  
38 nicipality sends to the division of accounts and reports a written request  
39 for assistance in complying with the required accounting procedures of  
40 K.S.A. 75-1121, and amendments thereto. The exemption shall continue  
41 until the assistance is rendered by the division of accounts and reports.

42 (c) The governing body of any city of the third class required to have  
43 its accounts examined and audited pursuant to the provisions of this sec-

1 tion shall annually determine the total cost to be incurred by the city in  
2 complying with the requirements of this act and shall identify the same  
3 in the budget of the city.

4 (d) Each year the township board of any township required to have  
5 an annual audit may adopt a resolution requesting the director of accounts  
6 and reports to exempt the township from the requirements of this section.  
7 The resolution shall be submitted prior to the end of the fiscal year. Upon  
8 receipt of the resolution, the director of accounts and reports shall waive  
9 the requirement for an audit for such year.

10 Sec. 4. K.S.A. 75-1122 is hereby repealed.

11 Sec. 5. This act shall take effect and be in force from and after its  
12 publication in the statute book.

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