

SESSION OF 2005

**SUPPLEMENTAL NOTE ON SENATE BILL NO. 245**

As Amended by Senate Committee of the Whole

**Brief\***

SB 245, as amended, would establish the "School District Audit Team" within the Legislative Division of Post Audit. The Team would operate under the direction of the Legislative Post Audit Committee and conduct annual performance audits of selected school districts. Audits also could be conducted by qualified firms selected by the Legislative Post Audit Committee. Topics for performance audits could include any of the following or other topics assigned by the Legislative Post Audit Committee:

- ! The accuracy of school expenditures, reports, or other information;
- ! How school districts use the funding received from the state;
- ! The relationship between school funding levels and costs;
- ! Whether funding levels for education programs or students are keeping up with the actual costs school districts report;
- ! The reasonableness of the amount and type of actual or budgeted expenditures compared with historical costs or with costs of other districts;
- ! Options for modifying the school funding formula; and
- ! Whether a school district has adequate operating or administrative procedures and fiscal controls and whether it is efficiently managed.

---

\*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

The bill would require the State Department of Education to verify, on an on-going basis, the costs incurred by school districts providing programs required by law and the number of pupils enrolled in such programs. The verification may be conducted on a sample basis of school districts.

The bill also would require the State Board of Education to design and implement a uniform system of reporting school district performance and financial data. The system must be Internet based and allow users to search and manipulate the data and make comparisons among school districts. The system would be designed to allow school districts to input data directly.

## **Background**

SB 245 is one of three bills introduced as a school finance package by the Senate Republican Leadership. The bills – SB 244, SB 245, and SB 246 – were introduced as companion bills, but are independent of each other.

The Senate Education Committee made a clean-up amendment to the bill. The Senate Committee of the Whole added the amendment requiring the State Board to design and implement a uniform school district performance and financial data system.

The fiscal note prepared by the Division of the Budget for the original version of the bill states that the cost of the bill would depend upon the increased workload that would result from the bill's passage. The "upper end" estimate submitted by the Legislative Division of Post Audit totals \$791,499 from the State General Fund, which includes \$524,300 for salaries for 9.0 FTE additional staff, \$199,020 for contractual costs, \$7,417 for commodities, and \$60,762 for capital outlay. Of the total, \$89,940 would be one-time costs. Other estimates submitted by the Legislative Division of Post Audit total \$632,344, based on the addition of 7.0 FTE new positions, and \$462,090, based on the addition of 5.0 FTE new positions.

The Senate Education Committee adopted a motion to request that the Committee Chairperson send a letter to all members of the Senate Ways and Means Committee recommending that, when SB 245 is considered for funding, it be funded at the level based on the addition of

5.0 FTE new positions. The total of \$462,090 includes \$314,196 for salaries, \$114,488 for contractual services, \$4,152 for commodities, and \$29,254 for capital outlay. Of the total, \$46,714 would be one-time costs.

No information is available at this time on the cost to the State Department of Education to design and implement the uniform school district performance and financial data system.