

SESSION OF 2010

SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2239

As Amended by House Committee of the Whole

Brief*

HB 2239, as amended, would require the State Board of Education to modify the internet-based uniform system of reporting to compare school district data. The system would have to include detailed records of revenue and expenditure transactions that conform with the uniform chart of accounts under KSA 2009 Supp. 78-8254 and be in place on or before December 31, 2011. The State Board also would be charged with the following:

- Verifying district expenditures and programs required by law, including the number of pupils enrolled;
- Adopting a uniform chart of accounts for reporting receipts and expenditures of districts;
- Determining whether districts have reported data in accordance with the uniform chart of accounts and calculating what receipts and expenditures were reported incorrectly.

School districts would be required to:

- Report receipts and expenditures in accordance with the uniform chart of accounts;
- Submit detailed records of revenue and expenditure transactions in an electronic format as required by the State Board; and

*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>

- Compile and report expenditures of the district with regard to programs required by law, including the number of pupils in each program.

The bill would amend KSA 75-1124 by adding a new subsection requiring a statement of assurance that data is provided in accordance with the uniform chart of accounts and file the statement with the State Board of Education.

The bill also includes language to appropriate funds for the costs incurred by the State Board of Education and school districts for the cost of implementation.

Background

HB 2239, as introduced, required the State Board of Education to develop a uniform accounting and reporting system for all school districts designed so that each district could input and report receipts and expenditures. Each school district would record the receipts and expenditures in accordance with a uniform classification of accounts or chart of accounts and reports as prescribed by the State Board. The accounting system had to be developed in accordance with accepted principles of governmental fund accounting and include both budgetary and proprietary accounts. In addition, the State Board was required to prescribe the necessary forms to be used by districts in connection with the system. The bill also specified that the system provide records showing the amounts appropriated, estimated revenues, actual revenues, the amounts available for expenditures, total expenditures, unliquidated obligations, actual balances on hand, and the unencumbered balances of allotments or appropriations for each district at all times.

The House Budget Committee deleted the contents and inserted new language that charges the state school board and school districts with a number of duties with regard to reporting data, includes a penalty for school districts that do not report

data correctly and amends KSA 75-1124 by requiring a statement of assurance and the filing of such statement with the State Board of Education.

The House Committee of the Whole amended the bill to remove language to deduct an amount equal to 10.0 percent of the total from a school district's general state aid payment during the next school year if the State Board of Education determines expenditures were not correctly reported. In addition, a new section was added to appropriate funds to pay the costs incurred by the State Board of Education and school districts attributed to the cost of implementation.

Proponents of the original bill included Representative Lana Gordon; Dave Trabert, President of the Kansas Policy Institute; Dr. Walt Chappell, Educational Management Consultants; and Bob Corkins.

Opponents of the original bill included Rob Balsters, USA Kansas; Dr. Gary George, Assistant Superintendent, Olathe School District; Diane Gjerstad, Wichita Public Schools; and Mark Tallman, Kansas Association of School Boards.

The fiscal note for the original bill indicated the Department of Education would have to conduct a needs assessment to develop contract specifications at a cost of at least \$150,000. A new accounting system, with accounts payable, inventory and payroll functions, would require several years to implement at an unknown cost to the State General Fund.