

January 21, 2015

The Honorable Steve Abrams, Chairperson
Senate Committee on Education
Statehouse, Room 224-E
Topeka, Kansas 66612

Dear Senator Abrams:

SUBJECT: Fiscal Note for SB 32 by Senate Committee on Education

In accordance with KSA 75-3715a, the following fiscal note concerning SB 32 is respectfully submitted to your committee.

SB 32 would establish the Efficient Operation of Schools Task Force. The task force would comprise five members, as outlined in the bill. The task force would establish best practice guidelines for efficient operation of school districts to be used in compliance audits that would be authorized by the bill. If approved by the Legislative Coordinating Council (LCC), the members of the task force would be paid for travel and subsistence expenses. The first meeting of the task force would be on or before August 1, 2015.

In addition, the bill would require every school district to have a compliance audit conducted at least once each school year, beginning January 1, 2016. The best practice guidelines established by the task force would be used as benchmarks for the audits. The cost of the audits would be paid by a demand transfer from the State General Fund to the School District Compliance Audit Fund in the Department of Education.

Finally, the Legislative Division of Post Audit would be required to conduct an audit of the Department of Education on or before June 30, 2016. The audit would include the financial operations of the agency and the regulatory requirements placed on school districts.

According to the Legislative Administrative Services, if the Efficient Operation of Schools Task Force would be authorized ten meetings, the total cost of the meetings would be \$12,000 in FY 2016, all from the State General Fund, using an average cost of \$1,200 per meeting. However, the LCC would have to authorize the expenses for the members of the task force.

Enactment of SB 32 would require a compliance audit at least once per year per school district, beginning January 1, 2016. Using an average cost estimate of \$10,000 per school

The Honorable Steve Abrams, Chairperson

January 21, 2015

Page 2—SB 32

district, the statewide cost for all school districts would be \$2,860,000 (286 school districts X \$10,000 = \$2,860,000). The costs of the audits would be paid from a demand transfer from the State General Fund to the School District Compliance Audit Fund in the Department of Education. Because these audits would not begin before January 1, 2016, compliance audit expenses would begin in FY 2017. The Legislative Division of Post Audit indicates that its required audit of the Department of Education would be performed with its existing staff and would require no new expenditures. Any fiscal effect associated with SB 32 is not reflected in *The FY 2016 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "Shawn Sullivan", with a horizontal line extending to the right.

Shawn Sullivan,
Director of the Budget

cc: Dale Dennis, Education
Karen Clowers, LAS
Rick Riggs, Post Audit