

*[As Amended by Senate Committee of the Whole]*

---

---

*As Amended by Senate Committee*

---

---

*Session of 2005*

## **SENATE BILL No. 245**

By Committee on Ways and Means

2-9

---

12 AN ACT concerning school districts; concerning audits by the division  
13 of legislative post audit.

14

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

16 Section 1. Each school district shall compile, record and report ex-  
17 penditures by the categories as directed by the department of education.  
18 The department of education shall verify, on an on-going basis, the costs  
19 incurred by school districts providing programs required by law and the  
20 number of pupils enrolled in such programs. Such verification may be  
21 conducted on a sample-basis of school districts.

22 Sec. 2. (a) In order to assist the legislature in the gathering of infor-  
23 mation which is necessary for the legislature's consideration when meet-  
24 ing its constitutional duties to: (1) Provide for intellectual, educational,  
25 vocational and scientific improvement in public schools established and  
26 maintained by the state; and (2) make suitable provision for the finance  
27 of educational interests of the state, there is hereby established within  
28 the division of post audit a school district audit team. Such team shall  
29 conduct performance audits and ~~to~~ monitor school district funding and  
30 other oversight issues through audit work directed by the legislative post  
31 audit committee.

32 (b) School district performance audits shall be conducted by the di-  
33 vision of post audit each year as directed by the legislative post audit  
34 committee. The topics for school district performance audits may include  
35 any of the following, or any other topic as directed by the legislative post  
36 audit committee:

37 (1) The accuracy of school expenditures, reports or other  
38 information;

39 (2) how school districts use the funding received from the state;

40 (3) the relationship between school funding levels and costs;

41 (4) the weights of various education program components or the level  
42 of equity achieved by the funding system;

43 (5) whether funding levels for education programs or students are

1 keeping up with the actual costs school districts report;  
2 (6) the basis for changes in school district costs;  
3 (7) the reasonableness of the amount and type of actual or budgeted  
4 expenditures compared with historical costs or with costs of other  
5 districts;  
6 (8) options for modifying the school funding formula;  
7 (9) other finance issues identified as needing further study;  
8 (10) whether a school district has adequate operating or administra-  
9 tive procedures and fiscal controls and whether it is efficiently managed;  
10 (11) best practices or innovative procedures, practices or controls op-  
11 erating within any school districts that could present opportunities for  
12 other school districts to operate more efficiently.

13 (c) In accordance with and subject to the approved scope of a school  
14 district performance audit conducted under this section, the post auditor  
15 shall determine which school districts are to be audited thereunder based  
16 on the audit topics included and the resources available to conduct the  
17 audit.

18 (d) Upon consultation with the legislative post auditor, the legislative  
19 post audit committee may specify that any school district performance  
20 audit under this section is to be conducted by a firm or firms qualified to  
21 perform such audit. If the legislative post audit committee specifies that  
22 a firm or firms is to perform such audit, the firm or firms shall be selected  
23 and shall perform such school district performance audit in the same  
24 manner and subject to the same requirements and provisions, to the ex-  
25 tent such requirements and provisions can be made to apply, as provided  
26 in K.S.A. 46-1123 and 46-1125 through 46-1127 and amendments  
27 thereto.

28 (e) In the discharge of duties imposed under this section, the post  
29 auditor or any firm conducting a school district performance audit con-  
30 ducted under this section shall have access to all books, accounts, records,  
31 files, documents and correspondence, confidential or otherwise, of any  
32 school district being audited under a school district performance audit  
33 conducted under this section or in the custody of any such school district.  
34 Except as otherwise provided in this subsection, the post auditor or firm  
35 conducting a school district performance audit conducted under this sec-  
36 tion and all employees and former employees of the division of post audit  
37 or firm performing a school district performance audit conducted under  
38 this section shall be subject to the same duty of confidentiality imposed  
39 by law on the school district, and the officers and employees thereof, with  
40 regard to any such books, accounts, records, files, documents and cor-  
41 respondence, and any information contained therein, and shall be subject  
42 to any civil or criminal penalties imposed by law for violations of such  
43 duty of confidentiality. The duty of confidentiality imposed on the post

1 auditor and on firms conducting school district performance audits con-  
2 ducted under this section and all employees of the division of post audit  
3 and all employees of such firms shall be subject to the provisions of sub-  
4 section (d) of K.S.A. 46-1106 and amendments thereto, and the post au-  
5 ditor may furnish all such books, accounts, records, files, documents and  
6 correspondence, and any information contained therein, to the attorney  
7 general pursuant to subsection (d) of K.S.A. 46-1106 and amendments  
8 thereto. Upon receipt thereof, the attorney general and all assistant at-  
9 torneys general and all other employees and former employees of the  
10 office of attorney general shall be subject to the same duty of confiden-  
11 tiality with the exceptions that any such information contained therein  
12 may be disclosed in civil proceedings, ouster proceedings and criminal  
13 proceedings which may be instituted and prosecuted by the attorney gen-  
14 eral in accordance with subsection (d) of K.S.A. 46-1106 and amendments  
15 thereto, and any such books, accounts, records, files, documents and cor-  
16 respondence furnished to the attorney general in accordance with sub-  
17 section (d) of K.S.A. 46-1106 and amendments thereto may be entered  
18 into evidence in any such proceedings.

19 (f) Any firm which develops information in the course of conducting  
20 a school district performance audit under this section which the post  
21 auditor is required to report under subsection (d) of K.S.A. 46-1106 and  
22 amendments thereto immediately shall report such information to the  
23 post auditor. The post auditor shall make the report required in subsec-  
24 tion (d) of K.S.A. 46-1106 and amendments thereto.

25 (g) In conducting school district performance audits required by this  
26 section, the legislative post auditor may enter into contracts for consult-  
27 ants as the post auditor deems necessary for any school district perform-  
28 ance audit conducted under this section.

29 (h) This section is supplemental to and shall be construed as a part  
30 of the legislative post audit act.

31 ***[Sec. 3. In order to allow any person desiring to obtain, analyze***  
32 ***and compare financial and performance data of school districts, the***  
33 ***state board of education shall design and implement a uniform sys-***  
34 ***tem of reporting of such data by school districts. Such system shall***  
35 ***be an internet-based data reporting system which is freely available***  
36 ***and accessible. Such system shall allow a person to search and ma-***  
37 ***nipulate the data and allow for the comparison of data on a district***  
38 ***by district basis. Such system may be designed so that school dis-***  
39 ***tricts may input directly the district's financial and performance***  
40 ***data in lieu of reporting data to the state board.]***

41 Sec. ~~3~~ [4.] This act shall take effect and be in force from and after  
42 its publication in the statute book.