

SESSION OF 2007

SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2175

As Amended by House Committee on
Education Budget

Brief*

HB 2175 would require the Kansas State Board of Education (KSBE) to develop an accounting and reporting system for all school districts in the state that is centrally-maintained, Internet-based, freely available, and accessible. The bill would provide for the following:

- The system would be designed so that each district would have remote access to directly record and report receipts and expenditures.
- Each district would record receipts and expenditures in accordance with a uniform classification of accounts or chart of accounts and reports as prescribed by KSBE.
- KSBE would design, revise, and direct the use of accounting records and fiscal procedures and prescribe uniform classifications for receipts and expenditures for all districts.
- The system would be in accordance with accepted principles of governmental accounting and would include both budgetary and proprietary accounts.
- KSBE would prescribe the necessary forms to be used by districts in connection with the system.
- The system would allow districts to record and report any information required by state or federal law, as well as record expenditures for each attendance center.

*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 system would provide records, that would be organized by funds, accounts, and other pertinent classifications, to show the following at all times for each district:
 - Amounts appropriated;
 - Estimated revenues;
 - Actual revenues;
 - Amounts available for expenditures;
 - Total expenditures;
 - Unliquidated obligations;
 - Actual balances on hand; and
 - Unencumbered balances of allotments or appropriations.
- The system would allow any person to search and manipulate the data and allow for the comparison of data on a district-by-district basis and by attendance centers within a district.
- The board of education for each district would record and report receipts and expenditures in the manner prescribed by KSBE, beginning on July 1, 2010.

Background

At the House Education Budget Committee hearing on the bill, Representative Lana Gordon and Steve Iliff, a member of the 2010 Commission, testified in favor of the bill. Opponents of the bill included representatives of the Kansas City, Kansas Public Schools and the Wichita Public Schools and Mark W. Dick, Certified Public Accountant. Representatives of USD 437 (Auburn-Washburn), USD 345 (Seaman), and the Kansas Association of School Boards provided neutral testimony on the bill.

The House Education Budget Committee amended the bill to delay when districts would be required to begin recording and

reporting receipts and expenditures, as specified in the bill, until July 1, 2010 to give KSBE time to implement the new accounting system.

The fiscal note on HB 2175, from the Division of the Budget, indicated that the State Department of Education estimated that it would cost \$100,000 to conduct a needs assessment to develop contract specifications. The agency also reported that a new accounting system, with accounts payable, inventory, and payroll functions, would require several years to implement at an unknown cost.