

SESSION OF 2015

SUPPLEMENTAL NOTE ON SENATE BILL NO. 32

As Amended by Senate Committee on
Education

Brief*

SB 32 would create the Efficient Operation of Schools Task Force, which would be composed of the Commissioner of Education; the chairpersons of the House and Senate Education Committees, House Appropriations, and Senate Ways and Means; one representative appointed by the House Minority Leader; and one senator appointed by the Senate Minority Leader. In consultation with superintendents, auditors, and such other experts and knowledgeable individuals as deemed necessary, the Task Force would establish best practice guidelines for the efficient operations of school districts, which would be used in compliance audits established by the bill, and report its guidelines to the Kansas Department of Education (KSDE), the Governor, and the Legislature on or before December 31, 2015. Legislative staff service agencies also would provide assistance, as requested.

The first meeting would be called by the Commissioner of Education on or before August 1, 2015. The bill requires the Task Force's members to select a chairperson and vice-chairperson from its membership. The Task Force could meet at any time and at any place within the state at the call of the chairperson. With the approval of the Legislative Coordinating Council, members would be paid the statutory amounts for expenses, mileage, and subsistence. The bill would require all Task Force actions to be made by motion adopted by a majority of members present when there is a quorum, which the bill specifies is four members. Beginning August 1, 2018,

*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>

and every three years thereafter, the bill provides the Task Force would be reconstituted as outlined above to review and update the guidelines and submit a report with updated guidelines to the KSDE, the Governor, and the Legislature on or before December 31 of each year the Task Force is reconstituted. The updated guidelines would be used as benchmarks in all subsequent compliance audits.

Six unified school districts selected by the Task Force would conduct a compliance audit in school year 2016-2017, using the Task Force guidelines as benchmarks, as part of and supplemental to existing audits. Further, upon completion of the compliance audit, the bill would require each district to publish on its website a summary of its audit report, including any recommendations and a notice that the complete audit report may be obtained or viewed free of charge at the district office. Half of the costs of the audits would be paid from a demand transfer from the State General Fund to the School District Compliance Audit Fund, which would be established by the bill and administered by the KSDE.

Finally, the bill would require the Legislative Division of Post Audit (LPA) to conduct an audit of KSDE on or before June 30, 2015, including its financial operations and regulatory requirements placed on local school districts and whether increasing district flexibility would lead to efficiencies. A copy of the report would be made available to each member of the Legislature. The bill would repeal the law establishing a school district audit team within LPA requiring the LPA team to conduct three school district efficiency audits each fiscal year until June 30, 2017.

Background

The bill was recommended for introduction by the K-12 Student Performance and Efficiency Commission, which was created by 2014 Senate Sub. for House Bill 2506, Section 29 and was required generally to “study and make

recommendations to the legislature regarding opportunities to make more efficient use of taxpayer money.”

In the Senate Education Committee, representatives of the Kansas Association of School Boards and Kansas Policy Institute appeared in support of the bill. There were no opponents.

The Senate Committee amended the bill to increase the number of members from five to seven with the two additional members being appointed by the minority leaders of the House and Senate; clarify that when reconstituted, the Task Force would be appointed as specified earlier in the bill; replace a requirement that each district conduct a compliance audit annually with a requirement that six unified school districts selected by the Efficient Operation of Schools Task Force would conduct a compliance audit in school year 2016-17; and provide that only half of the expenses incurred to conduct the audit would be reimbursed to school districts.

The fiscal note prepared by the Division of the Budget indicates passage of the bill, as introduced, would cost \$12,000 for the Task Force meetings based on an estimate of 10 meeting days and \$1,200 per meeting. The Legislative Coordinating Council would have to authorize the expenses of the members, however. The LPA indicates the required audit of KSDE would not require additional expenditures. Annual compliance audits of all 286 school districts were projected to cost \$2.8 million based on an estimate of \$10,000 per audit; however, the Senate Committee amendment to require only 6 districts to conduct the audit in school year 2016-17 would reduce that estimate.