

## House K-12 Education Budget Committee

### Testimony on HB 2379

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Chairman Campbell and members of the Committee:

Thank you for the opportunity to provide testimony on behalf of the Kansas Association of School Business Officials (KASBO) regarding HB 2379, a bill requiring school district expenditure reporting under the Kansas uniform financial accounting and reporting act.

KASBO is an organization comprised of superintendents, school business officials and board clerks – all of whom have responsibility for working with school district budgets. We work to support new school business officers, share best practices and offer relevant training opportunities.

As we understand the bill, school districts would be required to report transaction-level information for all expenditures, including the school district number, fund number, full four-digit function code, full three-digit object code, full four-digit building code, transaction date, transaction amount and a brief description of each transaction.

KASBO supports transparency and accountability and is willing to work with you to accomplish those goals. As we reviewed the bill, our primary question is what problem are we trying to solve? Is there a way to address concerns or provide information *without* creating an additional administrative burden on districts?

Current statutes accommodate recording transactions by function and object, though districts can provide additional expenditure detail upon request. Because data is subject to the details provided by the vendor, often only SKU or model numbers are available when recording transactions, providing little description for the financial reader. It is helpful for school business officials to understand the purpose of requests so that we can provide the most accurate data for analysis and decision making.

In addition to any compliance costs incurred by the State Department of Education, KASBO is concerned that the requirements set forth in this legislation would require schools to incur additional expenses through increased staffing and modifications to existing software and information reporting systems. In large districts, with millions of general ledger transactions, the costs associated with implementation could be significant. In small districts, any change in current accounting practice would have budgetary impacts as they work to be compliant.

Districts stand committed to making our finances as transparent as possible. However, we believe that HB 2379 adds a level of detail that cannot be reasonably achieved within the current system and with existing resources.