

SENATE BILL NO. 810

99TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR KOENIG.

Pre-filed December 18, 2017, and ordered printed.

ADRIANE D. CROUSE, Secretary.

5481S.02I

AN ACT

To amend chapter 162, RSMo, by adding thereto one new section relating to school budget transparency.

Be it enacted by the General Assembly of the State of Missouri, as follows:

Section A. Chapter 162, RSMo, is amended by adding thereto one new
2 section, to be known as section 162.1320, to read as follows:

**162.1320. 1. Within fifteen days after a school district adopts its
2 annual operating budget for the following fiscal year, or after a district
3 adopts a subsequent revision to such budget, the district shall make the
4 following information available through a link on its website homepage
5 as well as through a link on the department of elementary and
6 secondary education's homepage:**

7 **(1) The annual operating budget and subsequent budget
8 revisions;**

9 **(2) Using data that has already been collected and submitted to
10 the department of elementary and secondary education, a summary of
11 district expenditures for the most recent fiscal year for which it is
12 available, expressed in the following two pie charts:**

13 **(a) A chart of personnel expenditures, broken down into the
14 following subcategories:**

15 **a. Salaries and wages;**

16 **b. Employee benefit costs, including but not limited to, medical
17 insurance, dental insurance, vision insurance, life insurance, disability
18 insurance, and long-term care benefits;**

19 **c. Retirement benefit costs;**

20 **d. All other personnel costs;**

21 **(b) A chart of all district expenditures, broken down into the
22 following subcategories:**

- 23 **a. Instruction;**
- 24 **b. Support services;**
- 25 **c. Business and administration;**
- 26 **d. Operations and maintenance;**
- 27 **(3) Links to all of the following:**
- 28 **(a) The current collective bargaining agreement for each**
- 29 **bargaining unit;**
- 30 **(b) Each health care benefits plan, including but not limited to,**
- 31 **medical, dental, vision, disability, long-term care, or any other type of**
- 32 **benefits that would constitute health care services, offered to any**
- 33 **bargaining unit or employee in the district;**
- 34 **(c) The audit report of the audit covered under subsection 3 of**
- 35 **this section for the most recent fiscal year for which it is available;**
- 36 **(d) The district's written policy governing procurement of**
- 37 **supplies, materials, and equipment;**
- 38 **(e) Either the district's accounts payable check register for the**
- 39 **most recent fiscal year or a statement of the total amount of expenses**
- 40 **incurred by board members or employees of the district that were**
- 41 **reimbursed by the district for the most recent fiscal year;**
- 42 **(4) The total salary and a description and cost of each fringe**
- 43 **benefit included in the compensation package for the superintendent**
- 44 **of the district and for each employee of the district whose salary**
- 45 **exceeds seventy-five thousand dollars;**
- 46 **(5) The annual amount spent on dues paid to associations;**
- 47 **(6) The annual amount spent on lobbying or lobbying services,**
- 48 **as such term is defined in section 105.470;**
- 49 **(7) Identification of all credit cards maintained by the district**
- 50 **as district credit cards, the identity of all individuals authorized to use**
- 51 **each of those credit cards, the credit limit on each credit card, and the**
- 52 **dollar limit, if any, for each individual's authorized use of the credit**
- 53 **card;**
- 54 **(8) Costs incurred for each instance of out-of-state travel by the**
- 55 **superintendent of the district that is fully or partially paid for by the**
- 56 **district and the details of each of those instances of out-of-state travel,**
- 57 **including at least identification of each individual on the trip,**
- 58 **destination, and purpose.**
- 59 **2. For the purposes of determining the reasonableness of**

60 expenditures and whether a violation of this section has occurred, all
61 of the following apply:

62 (1) The department shall require that each district have an audit
63 of the district's financial and pupil accounting records conducted at
64 least annually, and at such other times as determined by the
65 department, at the expense of the district, as applicable. The audits
66 shall be performed by a certified public accountant. A district shall
67 retain these records for the current fiscal year and from at least the
68 three immediately preceding fiscal years;

69 (2) If a district operates in a single building with fewer than
70 seven hundred pupils, if the district has stable enrollment, and if the
71 error rate of the immediately preceding two pupil accounting field
72 audits of the district is less than two percent, the district may have a
73 pupil accounting field audit conducted biennially but shall continue to
74 have audits for each pupil count. The auditor shall document
75 compliance with the audit cycle in the pupil auditing manual. As used
76 in this subdivision, "stable enrollment" means that the district's
77 enrollment for the current fiscal year varies from the district's
78 enrollment for the immediately preceding fiscal year by less than five
79 percent;

80 (3) A district's annual financial audit shall include an analysis
81 of the financial and pupil accounting data used as the basis for
82 distribution of state school aid under section 163.031;

83 (4) The pupil and financial accounting records and reports,
84 audits, and management letters are subject to requirements established
85 in the auditing and accounting manuals approved and published by the
86 department;

87 (5) All of the following shall be done not later than November
88 first each year for reporting the prior fiscal year data:

89 (a) A district shall file the annual financial audit reports with
90 the department;

91 (b) The annual financial audit reports and pupil accounting
92 procedures reports shall be available to the public in compliance with
93 chapter 610;

94 (6) Not later than January thirty-first of each year, the
95 department shall notify the state budget director, the budget committee
96 of the house of representatives, and the senate appropriations

97 committee of districts that have not filed an annual financial audit and
98 pupil accounting procedures report required under this section for the
99 school year ending in the immediately preceding fiscal year.

100 3. By November first of each fiscal year, each district shall
101 submit to the department, in a manner prescribed by the department,
102 annual comprehensive financial data consistent with the district's
103 audited financial statements and consistent with accounting manuals
104 and charts of accounts approved and published by the department. The
105 department shall ensure that the Missouri financial accounting manual
106 charts of accounts includes standard conventions to distinguish
107 expenditures by allowable fund function and object. The functions
108 shall include at minimum, categories for instruction, pupil support,
109 instructional staff support, general administration, school
110 administration, business administration, transportation, facilities
111 operation and maintenance, facilities acquisition, and debt
112 service. The functions shall include object classifications of salary,
113 benefits, including categories for active employee health expenditures,
114 purchased services, supplies, capital outlay, and other. Districts shall
115 report the required level of detail consistent with the manual as part
116 of the comprehensive annual financial report.

117 4. By September thirtieth each year, each district shall file with
118 the department the special education actual cost report, on a form and
119 in a manner prescribed by the department.

120 5. By October seventh each year, each district shall file with the
121 department the transportation expenditure report, on a form and in a
122 manner prescribed by the department.

123 6. The department shall review its pupil accounting and pupil
124 auditing manuals at least annually and shall periodically update those
125 manuals to reflect changes in this section.

126 7. If a district does not comply with subsection 1 of this section,
127 the department may withhold up to ten percent of the total state school
128 aid due to the district under section 163.031, beginning with the next
129 payment due to the district, until the district complies with subsection
130 1 of this section. If the district does not comply with subsection 1 of
131 this section by the end of the fiscal year, the district forfeits the
132 amount withheld.