

FINAL BILL REPORT

SHB 1776

FULL VETO

Brief Description: Regarding school audits.

Sponsors: By House Committee on Appropriations (originally sponsored by Representatives Huff, H. Sommers, Alexander, Benson, Clements, Wensman, O'Brien and Boldt; by request of Office of Financial Management).

House Committee on Appropriations Senate Committee on Ways & Means

Background: The state auditor conducts fiscal audits of school districts. Portions of the audits address the accuracy of enrollment and other data submitted to the state for payment of state and federal funds. Occasionally the state auditor finds that erroneous data have been submitted, resulting in overpayments of state and federal funds.

The Office of the Superintendent of Public Instruction has clear rules for resolving audits involving recovery of federal money based on federal law and regulations. There is no formal audit resolution process for state moneys. Authority for the Superintendent of Public Instruction to require a school district to submit revised data is not clearly stated. The amount of state money to be recovered due to an audit is often debated and sometimes disputed. There is little assurance that two districts with similar audit findings will be treated in the same way.

Summary: The Superintendent of Public Instruction must withhold or recover state payments to school districts based on findings of the state auditor.

The superintendent is authorized to require school districts to submit revised data and is required to revise state payments accordingly.

The superintendent is required to adopt rules setting forth policies and procedures for audit resolutions.

Votes on Final Passage:

House 97 0

Senate 45 0