

# HOUSE BILL ANALYSIS

## HB 1776

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**Brief Description:** Regarding school audits.

**Background:** The State Auditor conducts fiscal audits of school districts. Portions of the audits concern 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 has 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. The authority of 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 is required to 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.

**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.