February 14, 2017

The Honorable Larry Campbell, Chairperson
House Committee on K-12 Education Budget
Statehouse, Room 286-N
Topeka, Kansas 66612

Dear Representative Campbell:

SUBJECT: Fiscal Note for HB 2288 by House Committee on K-12 Education Budget

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2288 is respectfully submitted to your committee.

HB 2288 would require that all school district accounting systems in Kansas comply with generally accepted accounting principles (GAAP), including districts’ budgetary and proprietary accounts.

According to the Kansas Department of Education, enactment of HB 2288 would have no effect on state aid payments to districts, and as a result, would have no fiscal effect for the state. However, the Department indicates the bill would have a fiscal effect for school districts, as approximately 95.0 percent of all districts in Kansas utilize “cash basis” accounting principles. The agency estimates the average cost for implementing GAAP would be approximately $7,000 for each district currently using “cash basis” accounting. The enactment of HB 2288 would require additional expenditures of $1,901,900 in additional statewide audit costs by school districts each year ($7,000 X 286 school districts X 95.0% = $1,901,900).

Sincerely,

Shawn Sullivan,
Director of the Budget

cc: Dale Dennis, Education