

Joint Committee on Ways and Means

Carrier – House: Rep. Thatcher  
Carrier – Senate: Sen. Whitsett

Revenue: No revenue impact

Fiscal: Fiscal statement issued

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Action: Do Pass the A-Engrossed Measure

Vote: 24 – 0 – 1

House

Yeas: Beyer, Buckley, Cowan, Freeman, Garrard, Komp, Kotek, McLane, Nathanson, Richardson,  
G. Smith, Thatcher, Whisnant

Nays:

Exc: Nolan

Senate

Yeas: Bates, Devlin, Edwards, Girod, Johnson, Monroe, Nelson, Thomsen, Verger, Whitsett, Winters

Nays:

Exc:

Prepared By: Matt Stayner, Legislative Fiscal Office

Meeting Date: June 8, 2011

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**WHAT THE MEASURE DOES:**

The measure permits the Department of Education to initiate a financial audit or performance audit of a school district or education service district (ESD) based on factors identified by the Department by rule. The measure allows the Department to contract with the Secretary of State or a private entity to conduct the audit if the Secretary of State is unable or unwilling. The measure allows the Secretary of State or the Department of Education to charge school districts or ESD's for a portion of the costs incurred for the audit.

**ISSUES DISCUSSED:**

- Merits of the measure

**EFFECT OF COMMITTEE AMENDMENT:** No amendment.

**BACKGROUND:** Currently, the Secretary of State may only audit the business practices of school districts and education service districts that volunteer for an audit. Such audits may only be conducted pursuant to a contract with the Department of Education. House Bill 2280 removes the discretion of districts to volunteer for audits and expands the scope to include performance audits. The measure also allows the Secretary of State to conduct district audits without a contract and authorizes the State Board of Education to establish rules to determine the percentage of audit costs to be borne by education districts and the percentage to be borne by the Department of Education.