

2013 -- H 5762

=====
LC01533
=====

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2013

—————
A N A C T

RELATING TO STATE AFFAIRS AND GOVERNMENT - DEPARTMENT OF
ADMINISTRATION

Introduced By: Representatives Casey, Guthrie, Kazarian, and Phillips

Date Introduced: February 28, 2013

Referred To: House Health, Education & Welfare

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 16-2-9.4 of the General Laws in Chapter 16-2 entitled "School
2 Committees and Superintendents" is hereby amended to read as follows:

3 **16-2-9.4. School district accounting compliance.** -- (a) The office of auditor general
4 and the department of elementary and secondary education shall promulgate a uniform system of
5 accounting, including a chart of accounts based on the recommendations of the advisory council
6 on school finance, and require all accounts of the school districts, regional school districts, state
7 schools and charter schools to be kept in accordance therewith; provided, that in any case in
8 which the uniform system of accounting is not practicable, the office of auditor general in
9 conjunction with the department of elementary and secondary education shall determine the
10 manner in which the accounts shall be kept. The uniform system of accounting shall also include
11 a standardized budget process [that includes at least three \(3\) years of data](#) to ensure districts can
12 annually assess investment priorities and incorporate long range planning.

13 (b) For the purpose of securing a uniform system of accounting and a chart of accounts
14 the advisory council on school finances, as defined in section 16-2-9.2 may make such surveys of
15 the operation of any school districts, regional school district, state school or charter school as they
16 shall deem necessary.

17 (c) Upon completion of the implementation of the uniform chart of accounts, all the
18 school districts, regional school districts, state schools, and/or charter schools, shall implement a

1 regents-approved budget model, and use best practices established by the department of education
2 for long range planning, budget development, and budget administration and reporting.

3 (d) If any school district, regional school district, state school or charter school fails to
4 install and maintain the uniform system of accounting, including a chart of accounts and
5 approved budget model, or fails to keep its accounts and interdepartmental records, or refuses or
6 neglects to make the reports and to furnish the information in accordance with the method
7 prescribed by the office of auditor general and the department of education or hinders or prevents
8 the examination of accounts and financial records, the auditor general and the commissioner of
9 education and/or their respective designee(s) shall make a report to the superintendent of schools
10 of the local education agency, the school committee chairperson, the mayor or town manager, and
11 the president of the town council, and/or for a charter school, to the board of trustees or directors,
12 as applicable, in writing, specifying the nature and extent of the failure, refusal, neglect,
13 hindrance, or prevention, and the commissioner is hereby authorized and directed to review the
14 matter so reported. If the commissioner shall find that failure, refusal, neglect, hindrance, or
15 prevention exists and that the school district, regional school district, state school or charter
16 school should properly comply in the matter so reported, the commissioner shall direct the school
17 district, regional school district, state school or charter school, in writing, to so comply. If the
18 failure, refusal, neglect, hindrance, or prevention shall continue for a period of ten (10) days
19 following the written direction, the commissioner ~~may~~ shall withhold distribution of state aid to
20 said school district, regional school district, state school or charter school.

21 (e) The department of elementary and secondary education in consultation with the
22 division of municipal finance shall conduct periodic reviews and analysis of school revenues and
23 expenses. The department shall also review and monitor compliance with the approved budget
24 model and best practices. The department shall identify those local education agencies considered
25 to be at risk of a year-end deficit or a structural deficit that could impact future years. Such
26 potential deficits shall be identified based on the periodic reviews, which may also include on-site
27 visits and reporting in accordance with the provisions of section 45-12-22.2. Potential deficits
28 shall be reported to the office of municipal finance, office of auditor general, superintendent,
29 chairman of the school committee, mayor or town manager, and the president of the town council,
30 of the applicable school district, regional school district, or state school, and/or for a charter
31 school, to the board of trustees or directors, as applicable.

32 SECTION 2. This act shall take effect upon passage.

=====
LC01533
=====

EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

A N A C T

RELATING TO STATE AFFAIRS AND GOVERNMENT - DEPARTMENT OF
ADMINISTRATION

1 This act would require the uniform system of accounting used by all school committees
2 to include at least three (3) years of data in the budget process. This act would also direct the
3 commissioner of elementary and secondary education to withhold the distribution of state aid to
4 school districts in certain instances.

5 This act would take effect upon passage.

=====
LC01533
=====