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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2013

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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 to ensure districts can annually assess investment priorities and
12 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 § 16-2-9.2 may make such surveys of the
15 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 [request the board of education for](#)
20 [approval to](#) withhold distribution of state aid to said school district, regional school district, state
21 school or charter school. [The board shall hold a hearing and provide the subject school and/or](#)
22 [district notice and an opportunity to be heard at said hearing. After hearing thereon, the board](#)
23 [may authorize the commissioner to withhold the distribution of state aid to said school district,](#)
24 [regional school district, state school, or charter school, if the board determines such sanction is](#)
25 [appropriate.](#)

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

1 applicable school district, regional school district, or state school, and/or for a charter school, to
2 the board of trustees or directors, as applicable.

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

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

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1 This act would require the board of education, at the request of the commissioner, to hold
2 a hearing on whether to withhold aid to a school district for failure to meet school district
3 accounting compliance.

4 This act would take effect upon passage.

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