

**Senate Committee on Education
September 29, 2015**

**Wisconsin Department of Public Instruction
Testimony in Opposition to Senate Bill 234**

Good afternoon Chairman Olsen and Committee Members, my name is Debi Towns, the Assistant Director of School Financial Services at the Department of Public Instruction.

Background

Under current law, every elected school board is given the authority to independently create their local school district annual budget.

Under current law, the Department of Public Instruction (DPI) is charged with prescribing a uniform method of accounting for school districts to report their budgets and annual reports to the State. DPI has used the *Wisconsin Uniform Financial Accounting Requirements (WUFAR)* since 2002. This accounting system is an updated version of the *Wisconsin Elementary & Secondary School Accounting System (WESSAS)* and its predecessor, the *Wisconsin Financial Accounting System*. Over the past 13 years, the *WUFAR* has been continually updated to meet the Government Accounting Standard Board's (GASB) Statements.

Under current law, DPI is also charged with collecting specific pieces of financial data which are used to accurately calculate state aids to school districts. The *WUFAR* accounting system is required for reporting to DPI so that all the data coming in from the school districts are reported in a consistent fashion.

DPI makes available on its website a Budget Adoption form which meets the requirements of §65.90 to all school districts in the state. This form serves as an easy-to-read summary and is also suitable to meet the public posting requirement of this same statute. This summary includes three years of financials – the previous year audited actuals; the current year unaudited actuals; and the proposed budget for the new year. These figures are lined up in columns for ease in comparison.

In addition, every school district's full budget and full annual report for the past ten years is available on the DPI website for public inspection. The full versions of the budget and annual report include detailed data for all funds with the exception of Fund 60 and Fund 70, which are considered fiduciary accounts under GASB.

Senate Bill 234

Senate Bill 234 sets forth the requirement to create another report containing the identical data already published by districts prior to their annual budget hearings and in the complete budget report detail posted on DPI's website for every district in the state.

DPI has worked cooperatively with the accounting software companies providing services to the school districts in Wisconsin as they develop reporting mechanisms within their programs to help schools easily aggregate and harvest the data required for state reporting. Creating new formats for reports to shuffle the data around would likely require some software development on the part of the vendors. It could be presumed that this would indirectly result in an increase in the cost of software passed on to the districts.

It is unclear to DPI how SB 234 provides more district financial information to the public than what is already easily available.

With regard to the full audit report: There are school districts currently posting their audit reports on their local websites. It is the understanding of DPI that the majority of districts do not take up their website space for the auditor's report. The auditor report is a public record, however, and upon inquiry I am not aware of any district that has not readily shared it.

We also hold electronic copies of the auditors' reports at DPI. While we do not take up website space to publish all of them, each is available upon request.

In conclusion, SB 234 creates a duplicative process to provide the same information that is already easily available on the internet; with the exception of the full auditor report, the financial data of every school district in this state already clearly broken down and displayed in this matter. If any elector wishes to obtain a hard copy of the full auditor report, he or she need only ask - DPI or the school district can easily furnish a copy of those reports upon request.