

## HB 2710 -1 STAFF MEASURE SUMMARY

### House Committee On Education

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**Meeting Dates:** 2/27, 4/3

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#### WHAT THE MEASURE DOES:

Modifies provisions relating to school districts' financial reporting. Requires districts to submit description of expenditures using uniform budget and accounting system of funds received under certain statutes by September 1 of each year. Required reporting must include funds received under the following statutes:

- ORS 327.006-327.133 (State School Fund distributions);
- ORS 327.348 (High Cost Disability fund distributions);
- ORS 327.356-327.359 (Small School grants);
- ORS 327.731 (Education Project grants);
- ORS 328.542 (local district budgets); and
- ORS 530.115 (forest product rehabilitation revenues, distributed to county school fund).

Requires Oregon Department of Education (ODE) to make information received available on its website in transparent, uniform, and readily accessible manner.

#### ISSUES DISCUSSED:

##### EFFECT OF AMENDMENT:

-1 Replaces the measure. Requires school districts and education service districts to include information describing the expenditures of moneys received from the State School Fund in their annual audit reports. Requires the Oregon Department of Education (ODE) to prescribe requirements for the reporting of expenditures, and make information available on the its website. Requires ODE to convene advisory committee. Establishes purposes and membership of advisory committee. Requires ODE to report aggregate school district and education service district expenditures from the State School Fund to Legislative Assembly by September 15 of each even-numbered year.

##### BACKGROUND:

Oregon's school districts are primarily funded through distributions from the State School Fund. The amount of money each school district is allocated from the State School Fund is based on a formula that takes into account the total number of students attending school in that district (average daily membership, or ADM), the particular needs of the student population (weighted average daily membership, or ADMw), and the school district's available local revenues.

In 1997, the Legislative Assembly enacted a requirement for the State Board of Education to establish a uniform budget and accounting system for school districts and education service districts. The Department of Education (ODE) maintains a *Program Budgeting and Accounting Manual* to assist districts in using the account code structure. The account code structure covers fund classification, function, object, operational unit, area of responsibility, sub-area, and revenue codes. The manual is written to conform with Generally Accepted Accounting Principles (GAAP), an industry standard for financial accounting and reporting.

House Bill 2710 imposes a requirement for public reporting of each expenditure by every school district under the uniform budget and accounting system, and a requirement that ODE make that information available on its website.

PRELIMINARY