

HB 2710 A STAFF MEASURE SUMMARY

House Committee On Education

Action Date: 04/03/23

Action: Without recommendation as to passage, with amendments, and be referred to Rules.
(Printed A-Eng.)

Vote: 4-3-0-0

Yeas: 4 - Hudson, Neron, Nguyen H, Valderrama

Nays: 3 - Cramer, McIntire, Wright

Fiscal: Fiscal impact issued

Revenue: No revenue impact

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Meeting Dates: 2/27, 4/3

WHAT THE MEASURE DOES:

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 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.

ISSUES DISCUSSED:

- Need for more transparency about district spending
- Challenges of accessing spending data
- Districts' use of State School Fund

EFFECT OF AMENDMENT:

Replaces the measure.

BACKGROUND:

Most of 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 Oregon 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. ORS 327.511 requires ODE to place data gathered from the uniform budget and accounting system on its website. However, ODE reports that that information has been removed due to accessibility concerns.

House Bill 2710 A expands requirements for districts' annual audit reports and requires ODE to convene an advisory committee.